

29 June 2005

## **P&O SELLS ITS STAKE IN ROYAL P&O NEDLLOYD**

P&O announces that it has entered into an agreement today to sell its entire 25% shareholding in Royal P&O Nedlloyd N.V. to two financial institutions, which are acting on behalf of AP Moeller-Maersk, at a price of €56.25 per share in cash. The total proceeds from the disposal will be €571 million (£378 million).

P&O expects to record a profit on sale, under International Financial Reporting Standards, of approximately £175 million. Settlement is due to occur on 30 June.

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### **Notes to editors:**

1. Royal P&O Nedlloyd N.V. owns P&O Nedlloyd which is one of the world's top four shipping container lines. P&O has owned 10.16 million shares in Royal P&O Nedlloyd N.V., representing 25% of the company's issued share capital, since 16 April 2004 when the reverse listing of P&O Nedlloyd was completed.
2. AP Moeller-Maersk has previously made a conditional offer at €57 per share to acquire all the issued share capital of Royal P&O Nedlloyd N.V. The offer is open until 4 August 2005 and is subject to, inter alia, approval from regulatory bodies in Europe and the United States.
3. For the year to 31 December 2004, as restated for International Financial Reporting Standards, P&O's share of Royal P&O Nedlloyd's profit before tax was £51 million. The share of net assets of Royal P&O Nedlloyd included in P&O's restated balance sheet for 31 December 2004 was £175 million.

4. P&O's estimated profit on the transaction will be subject to, inter alia, adjustments arising from the actual profit earned by Royal P&O Nedlloyd up to the date of sale, other Royal P&O Nedlloyd balance sheet adjustments in the period and movements in exchange rates.
5. Initially, P&O intends to use the cash received from the sale to reduce Group net debt. The cash will then be redeployed over time through investment in the Group's fast growing international ports business. A proportion of the proceeds may be used to accelerate the reduction in the deficit in P&O's main UK pension scheme.

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