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Incorporated by Royal Charter
with limited liability
Company number Z73

Securities & Exchange Commission
Division of Corporate Finance
Room 3094 (3-6), 450 Fifth Street
Washington
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22 August 2003

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Dear Sirs

P&O PRE-CLOSE PERIOD STATEMENT

I enclose a copy of a press release sent to the London Stock Exchange in accordance with our 12g3-2(h) exemption from the Securities Exchange Act of 1934 in connection with our ADR program.

Yours faithfully

Sylvia Freeman
Company Secretariat

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News Release

22 August 2003

P&O RESPONSE TO OFT's DECISIONS ON IRISH SEA OPERATIONS

P&O welcomes today's announcement from the Office of Fair Trading (OFT) that it has cleared the Group's proposed transaction with Stena AB with regard to the Port of Cairnryan joint venture.

P&O also notes the announcement from the OFT that it has decided to refer the Group's proposed transaction with Stena AB with regard to its ferry operations on the Irish Sea. P&O will be studying the terms of the OFT's decision and is confident of presenting a strong case to the Competition Commission.

Further information: Peter Smith, Director, Communications and Strategy
Tel: 020 7930 4343

Notes to editors:

1. On 27 May 2003, P&O and Stena AB announced that they had signed a Memorandum of Understanding (MOU) concerning Stena's proposed acquisition of a significant part of P&O's ferry operations on the Irish Sea. The MOU also provided for the transfer of Stena's Stranraer port operations to Cairnryan, with Stena and P&O each taking a 50% shareholding in a new company to develop the port.
2. The proposals remain subject to contract, employee consultation and regulatory clearance with the Irish, as well as the UK, competition authorities.

(ends)