



Established 1837

The Peninsular and Oriental
Steam Navigation Company
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Incorporated by Royal Charter
with limited liability

Securities & Exchange Commission
Division of Corporate Finance
Room ~~3094 (3-6)~~, 450 Fifth Street
Washington
D.C. 20549
USA

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3 September 2003

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Dear Sirs

EC INVESTIGATION

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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Handwritten initials and date: 9/16

3 September 2003

EUROPEAN COMMISSION INVESTIGATION

The European Commission today commenced an investigation into the provision of passenger and/or freight transport services (excluding by air) between the United Kingdom, Ireland and Continental Europe. The investigation, which is understood to have arisen from an informal complaint, concerns possible anti-competitive agreements and/or concerted practices contrary to Article 81 of the EC Treaty.

P&O falls within the scope of the investigation because of its ferries business and is fully cooperating with the Commission.

Further information: Peter Smith, Director, Communications and Strategy
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(ends)