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with limited liability
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Dear Sirs

P&O EXCEEDS £350 MILLION NET PROPERTY SALES IN 2004 WITH SALE OF ATLANTA, US PORTFOLIO

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**PROCESSED**
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J THOMSON
FINANCIAL

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31 December 2004

**P&O EXCEEDS £350 MILLION NET PROPERTY SALES IN 2004 WITH
SALE OF ATLANTA, US PORTFOLIO**

P&O announces the sale of its entire property portfolio in Atlanta, US for total proceeds of US\$93 million (£48 million) in four separate transactions.

P&O will report a profit over book value of approximately US\$20 million (£10 million) from the transactions and the proceeds will be used to reduce Group net debt. This is part of P&O's ongoing strategy of realising value from its property portfolio and focusing on its high growth ports business.

As a result of this announcement and the recent sale of the La Manga Club resort, P&O's net property sales for 2004 exceed £350 million.

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Notes to editors:

1. P&O's property portfolio in Atlanta is held by a wholly owned subsidiary, Technology Park Atlanta. The portfolio comprises 759 acres of development land held in four business parks and 390,700 square feet of office space. The developments provide mid and low rise campus style property in parkland settings for a range of commercial, residential and retail uses including technology, scientific research, medical and business services.
2. The office space is being sold to AEW Capital Management, LP, a real estate advisory firm and to Professional Office Partners IV, LLC. The development land is being sold to Atlantic Realty and to the local management team.