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Incorporated by Royal Charter
with limited liability
Company number 273

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



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Dear Sirs

P&O SALE OF US PROPERTY

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.

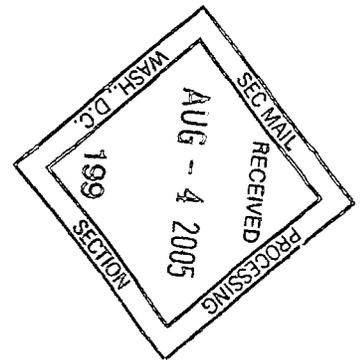
Yours faithfully

Liz Eddington
Company Secretariat

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News Release

29 July 2005

P&O SALE OF US PROPERTY

P&O announces that Boston Wharf Company, a wholly owned subsidiary of P&O, has sold the remainder of its property portfolio in Boston for £53 million (US\$92 million) to W2005 BWH Realty L.L.C., an affiliate of Archon Group L.P. Consequently, P&O has now sold all of its property interests in Boston.

P&O will report a profit over book value on the transaction of approximately £8 million (US\$14 million). The proceeds will be used to reduce Group net debt.

The sale forms part of P&O's ongoing strategy of realising value from its property portfolio and focusing capital on its high growth ports business. P&O remains on track to meet its target of £325 million net property sales in 2005.

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Notes to editors:

1. Boston Wharf Company originally owned a freehold interest in over two million square feet of buildings covering approximately 10 acres in Boston's Seaport District. The majority of the buildings were originally constructed as warehouses and many have been refurbished and converted into office space.
2. The transaction announced today is for the remainder of the property portfolio in Boston and includes approximately 1.1 million square feet of commercial