



## **DP WORLD SUBSIDIARY MERGER PROPOSAL UPDATE**

*Dubai 28 February 2007:* - DP World said today no further discussions were planned regarding a merger of its wholly owned subsidiary P&O Maritime Services with Mermaid Marine Australia, adding it was disappointed the deal as originally agreed in December was not proceeding.

The merger would have seen the combined Mermaid Marine/P&O Maritime Services entity listed on the Australian Stock Exchange under the brand name P&O Marine, with more than 60% ownership residing with DP World.

Mermaid Marine said last week its financial performance had substantially exceeded expectations and it believed the agreed merger ratio was no longer appropriate.

DP World said the deal as originally agreed eight weeks ago was fair, having been arrived at after extensive negotiations and due diligence by both parties. It had been given no information to change its view since then.

The company added that the proposed merger was a good fit for both companies, and would have allowed the two to explore new markets; the company continued to believe in the strategic value of the merged entity. However, it said P&O Maritime Services was a strong business and DP World was equally comfortable supporting it to expand on its own.

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### **About P&OMS**

P&OMS's primary operations are in government shipping services, cargo and defence sectors. The nature of the P&OMS business is highly stable with over 90% of its expected revenues for the financial year ending 30 June 2007 under contract.

P&OMS currently has operations around Australia, as well as in Papua New Guinea, Ireland, Singapore and Argentina. Among its major clients are the Australian Government Antarctic Division, the Department of Defence, Australian Customs Service, CSIRO, Xstrata and others. P&OMS's defence business in Australia is operated through Defence Maritime Services Pty Ltd, a 50% owned joint venture with Serco Group plc of the United Kingdom, a company capitalised at £1.7 billion on the London Stock Exchange.