

# A Brief History of P&O

## Beneath the House Flag of the P&O

The Peninsular and Oriental Steam Navigation Company has a celebrated history dating back to the 1830s. It was incorporated by a Royal Charter in 1840, and its name therefore includes neither "PLC" nor "Limited". The initials "P&O" are among the most familiar anywhere, and its house flag, older even than the Company itself, is one of the best known. The history of its first century is encapsulated in the heraldry of its Coat of Arms, granted in 1937, while throughout well over 160 years it has been a premier British shipping company, and in its time the largest and most varied in the world.



*The P&O house flag is the Company's oldest symbol, incorporating the Royal colours of Portugal and Spain, the countries of the Iberian Peninsula to which its earliest services ran in the 1830s. The flag is now familiar all over the world, flown on ships, offices and depots on six continents.*



*The P&O house flag has also become a corporate device, painted on ships and vehicles, incorporated into signs and badges, and used in every type of printing, stationery and display. The P&O logo has similarly become a bold and distinctive design element.*



*The P&O Coat of Arms, granted in 1937 but based on a badge used for several decades previously, combines the Royal colours of Spain and Portugal, and thereby its "Peninsular" origins, with an "Oriental" rising sun as a crest, and with devices - a lion, elephant, dragon and kangaroo - which signify Britain, India, China and Australia, the countries linked by its Imperial mail services until the Second World War.*

Over the last quarter of the Twentieth Century P&O also diversified into construction management, property investment and development, and a variety of service businesses including exhibition and conference centres, but most of these activities have been disposed of following the Company's decision in March 1999 to concentrate on its maritime and transport interests.

## **Peninsular Beginnings 1815-1840**

It all started with a handful of paddle-steamers and a contract to carry mails, applying the technology ushered in by the Industrial Revolution to bring frequency and regularity to international communication. Carrying mails remained P&O's preoccupation for its first hundred years, and thereby the Company made a major contribution to a revolution in world politics and commerce.

P&O stems from a partnership formed in 1822 between Brodie McGhie Wilcox, a London ship broker, and a Shetland-born former Royal Navy clerk named Arthur Anderson. They concentrated on business with the Iberian Peninsula, although their sailing ships occasionally ventured as far afield as Chile, and during the Portugese and then the Spanish civil wars of the early 1830s they ran guns, raised loans and chartered steamers as warships and troop carriers for the legitimate heirs to both thrones. Their peacetime cargoes included anything from machinery for minting money to giraffes for the London Zoo.



*Brodie McGhie Willcox (1786-1862), the London shipbroker who took a one-time Shetland "beach boy", Arthur Anderson, into his business as clerk in 1815 and partner in 1822, and whose business acumen and experience provided a perfect balance for Anderson's flair in the foundation and growth of P&O. (Oil by Thomas Francis Dicksee, 1850)*



*Arthur Anderson (1792-1868), the one-time Shetland "beach boy" who became clerk and then partner to London shipbroker Brodie McGhie Willcox, and like the older man rose to become first a Managing Director and then Chairman of P&O, largely on the basis of his imagination and foresight. (Oil by Thomas Francis Dicksee, 1850)*

In 1835 Willcox and Anderson joined forces with Captain Richard Bourne, a Dublin shipowner, and began a regular steamer service between London, Spain and Portugal - the Iberian Peninsula - using the appropriate name "Peninsular Steam Navigation Company". Bourne's 206-ton William Fawcett made the first sailing under the Peninsular Steam identity, but new ships were also built, and on 22 August 1837 Bourne and the Admiralty signed the first commercial contract for carrying mails by sea, for a weekly service between Falmouth, the established "packet" port, Vigo, Oporto, Lisbon, Cadiz and Gibraltar. This financial security laid the traditional foundations of P&O, with mail contracts continuing to be a major source of the Company's revenues until the Second World War, and it adopted as its house flag a quartering of the royal colours of Portugal and Spain, which has continued to be flown to this day.



*In 1835 Willcox & Anderson used the 206-ton William Fawcett, built in 1828, to open their first, irregular 'Peninsular Steam' service to Spain and Portugal. Though she never ran on the mail contract service begun in 1837, William Fawcett has traditionally been regarded as the first "P&O" ship. (Oil by Stephen D Skillet, 1836)*



*Captain Richard Bourne, RN (1770-1851), Dublin shipowner and owner of the William Fawcett, who joined forces with Willcox & Anderson in establishing Peninsular Steam Navigation Company in 1835, bringing in the Irish and later the Liverpool investors that transformed a shoestring London operation into a major national company. (Oil by Thomas Francis Dicksee, circa 1850).*

The ship making the first contract run, the 800-ton *Don Juan*, one of the largest steamers in the world, was wrecked in fog between Gibraltar and Cadiz on her return voyage. Fortunately, Arthur Anderson, who was aboard, helped save the mails and Peninsular Steam weathered the loss. Its reputation grew, and it was consulted on the extension of similar mail services into the Mediterranean. In 1840 it received a contract for a monthly run to Alexandria, and to raise the £1million needed it became a limited liability company: The Peninsular and Oriental Steam Navigation Company was incorporated by a Royal Charter on 31 December 1840, and remains to this day one of the few British commercial concerns not incorporated under the Companies Acts.



*P&O's Royal Charter of 31 December 1840 was at the time the easiest means of incorporating the Company with limited liability. It has been amended numerous times over the ensuing 160 years, to keep in line with changes in P&O's activities and the requirements of modern business.*

## Oriental Extension 1840-1870

Larger ships for the Egyptian run from Southampton to Alexandria were acquired by merging with Liverpool interests, and still larger vessels - all of 2,000 tons - were built to brave monsoon weather on the Calcutta/Suez line opened in 1843 to fulfil one of the terms of P&O's Charter. By 1845 its services had reached Singapore and Hong Kong, and in 1852 were extended to Sydney. The Company's three great Imperial mail routes - to India, the Far East and Australia - had thus been established in less than a decade, supplanting short-lived services to Italy and the Levant, while its foundation, the Peninsular service, was abandoned in 1862.



*Oriental (1,673 tons) was ordered for the Transatlantic Steamship Company of Liverpool which combined with Peninsular Steam in 1840 to create P&O. She made the new company's first sailing from Southampton to Egypt in September that year. (Lithograph; artist unknown)*



*Hindostan (2,018 tons) leaving Southampton on her maiden voyage on 24 September 1842. She sailed round the Cape of Good Hope to Calcutta and there commenced sailings to and from Suez, via Point de Galle and Aden, connecting overland with P&O ships running between Southampton and Alexandria. (Aquatint after William John Huggins).*

Across Egypt ran the celebrated Overland Route, a "multi-modal" journey involving canal boats on the 48 mile (77 kilometre) Mahmoudieh Canal from Alexandria to the Nile, a small river steamer up to Cairo and horse-drawn coaches 84 miles (135 kilometres) across the desert to Suez - or vice versa, of course. Mails, luggage and cargo went more rapidly by camel - up to 4,000 animals per ship - and passengers delayed en route feared connecting ships might sail without them because mail contracts included financial penalties for late delivery.



*The Mahmoudieh Canal, which Pasha Mehemet Ali had built by forced labour to link Alexandria to the Nile. Passengers and cargo travelled in barges towed by horses until P&O sent out a steam tug - their first iron vessel and their first driven by screw propellers - in 1842. (Watercolour from "Route of the Overland Mail to India", 1850)*



*The "Central Station", one of the series of stops for refreshments and a change of horses on the desert crossing between Cairo and Suez. The food, it was reported, was disgusting, and the beer was warm. (Watercolour from "Route of the Overland Mail to India", 1850)*

P&O had revolutionised travel to the British Empire east of Suez for both mail and passengers. The only cargoes were high-value items such as gold and silver, silk and indigo. A railway built in the 1850s improved the crossing of Egypt, but P&O still had a near-monopoly of long-distance steamer services in eastern seas until the 1860s. It did not believe the Suez Canal would succeed, and when the French completed it in 1869, P&O found itself with an unsuitable fleet and falling revenue. Not only was it faced by burgeoning competitors using the Canal for both passengers and

cargo, it was also forced by the cautious Post Office, which had taken over mail contract responsibilities from the Admiralty, and which retained for much longer than the Company its initial mistrust of the Canal, to continue conveying the fastest mails across Egypt by land until contracts were renewed in the mid 1880s.

### **The Exiles' Line 1870-1914**

P&O maintained a justifiably high reputation for safety and service, and was much concerned with establishing lighthouses and other navigational aids, but it had its share of wrecks. A "Mrs Dulcimer" wrote calmly in 1863 after *Colombo* ran aground on the island of Minicoy in the Arabian Sea the previous November: "If you are ever shipwrecked, my dearest Laura - do contrive to get the catastrophe conducted by the Peninsular and Oriental Company. I believe other companies drown you sometimes, and drowning is a very prosaic arrangement fit only for seafaring people and second-class passengers. I have just been shipwrecked under the auspices of P&O and I assure you that it is the pleasantest thing imaginable. It has its little hardships to be sure, but so has a picnic, and the wreck was one of the most agreeable picnics you can imagine."



*The wreck of the P&O steamer Alma (2,164 tons, built 1855) on the island of Haruish in the Red Sea, 12 June 1859. The passengers, crew and mails were saved, but the baggage and cargo were lost. (Lithograph: artist unknown).*

The Company survived the opening of the Suez Canal by extensive economising, slashing overheads - and abolishing free liquor at meals. Thomas Sutherland, formerly manager in Hong Kong, became Managing Director in 1872 and Chairman in 1881. He masterminded P&O's recovery, ordering progressively larger and faster ships, a very high proportion from Caird & Co's yard at Greenock on the Clyde. Its British terminus moved from Southampton back to London. These were the years of Kipling's "Exiles' Line", when two-thirds of the Company's passengers for India were civil servants, but there were also diplomats, soldiers, bankers, industrialists, missionaries, world travellers, and unmarried ladies known as the "fishing fleet" ("returned empties" if they failed to get a catch!). Captains were reputedly responsible only to God and the P&O directors, and not necessarily in that order.



*A variety of passengers enjoying the sea air aboard the P&O steamer Peshawur (3,782 tons, built 1871) somewhere off the southern coast of Portugal on a voyage between London and Bombay. (Watercolour by William Lionel Wyllie, circa 1880s).*



*Sir Thomas Sutherland GCMG (1834-1923), who as Managing Director and later Chairman guided P&O's fortunes for forty-two years, and then engineered the handover of power to Lord Inchcape, Chairman of the British India Steam Navigation Company, after P&O took over BI in 1914. (Oil by John Singer Sargent, 1898)*

P&O became an Imperial institution, the premier British shipping company. It chartered ships to the government as troop transports and hospital ships, and provided the brand-new liner *Medina* as the Royal Yacht for King George V and Queen Mary's voyage to the Delhi Durbar in 1911. It also expanded its horizons by building cargo liners, and began carrying emigrants to Australia when it bought Lund's Blue Anchor Line in 1910, having previously limited itself to First and Second class passengers only.



*P&O's brand-new Medina (12,358 tons) leaving Portsmouth in 1911 as the Royal Yacht carrying King George V and Queen Mary to India for the Durbar at Delhi. (Oil by William Lionel Wyllie, 1911).*

### **From Company to Group 1914-1946**

Between 1914 and 1946 P&O acquired more than a dozen other shipping companies, beginning with the British India Steam Navigation Company whose Chairman Lord Inchcape also became Chairman of P&O following the retirement of Sir Thomas Sutherland. The New Zealand Shipping Company, Federal Steam Navigation Company, Union Steam Ship Company of New Zealand, Hain Steamship Company and James Nourse were taken over during the First World War. Orient Line, Mercantile Steamship Company, Khedivial Mail, General Steam and Strick Line were acquired soon afterwards, Moss Hutchison Line and New Medway Steam Packet Company in the 1930s, and Eastern & Australian Steamship Company in 1946.



*The Rt. Hon. The Earl of Inchcape GCSI, GCMG, KCIE (1852-1932), in full ceremonial robes of the Order of St Michael and St George, one of many honours attained over years of service to commerce and his country. As Chairman and Managing Director of P&O from 1914 until his death he masterminded its transition from a Company to a Group. How might it have fared had he not been barred from the Viceroyalty of India and turned down the throne of Albania? (Oil by Philip de Lazlo, 1931)*



*In 1914, when it merged with P&O, the British India Steam Navigation Company was the largest British shipping line, owning 131 steamers. Karoa (7,009 gross tons, built in 1915) was a typical BI passenger/cargo liner, serving as a troopship during the First World War before joining the Bombay/Seychelles/East Africa service. (Oil by G H Fox, circa 1915)*

Under Lord Inchcape's Chairmanship from 1915 to 1932, the combined fleet grew to a peak in the mid 1920's of nearly five hundred ships of many different kinds, ranging from P&O's traditional black-hulled passenger and mail liners to coasters, colliers, Thames pleasure steamers, state-of-the-art refrigerated cargo liners on the New Zealand/UK and Australia/UK services, and passenger/cargo ships of all shapes and sizes trading along the coasts of India, the Gulf, and East Africa.

P&O itself continued to concentrate on large, fast passenger and mail steamers. Its best ships served as troopships and armed merchant cruisers in both World Wars. Several were sunk, but most losses suffered by the P&O Group - 85 ships in the First World War, 179 in the Second - were as part of the massive contribution by its cargo ships to the struggle to keep Britain supplied with munitions, raw materials and foodstuffs.



*Otaki fighting to the last in action against the German surface raider Möwe, on 10 March 1917. The New Zealand Shipping Company's 7,420-ton refrigerated cargo liner, built in 1908, put up such a gallant action against heavy odds that her Master, Captain Archibald Bisset Smith, was posthumously gazetted a Lieutenant RNR so he could be awarded the Victoria Cross in the absence of a comparable honour for a civilian at that time. (Oil by Stanley Pellett, circa 1918).*



*P&O's Rawalpindi (16,500 tons, built 1925), serving as an armed merchant cruiser with a Royal Naval Reserve and Volunteer Reserve crew, in gallant but hopeless action against the German battlecruisers Scharnhorst and Gneisenau in the North Atlantic on 23 November 1939. (Oil by Norman Wilkinson, 1940)*

Between the Wars, the Australian trade replaced the Indian services as the most important for P&O. Australian passengers encouraged the provision of games decks. Oil fuel replaced coal and the "Strath" liners of the 1930s reintroduced white livery previously only used on two ships, in place of the conservative black hull and funnels and stone-coloured superstructure that had been the Company's image for so long. Second Class gave way to "Tourist", and after the great Depression, when salaries were cut by 10% and no dividend was declared for four years, P&O's nominal Centenary in 1937 was celebrated with enthusiasm.



*The five "Strath" liners of the 1930s were all white with buff funnels and surpassed even the 1929-built Viceroy of India in popularity and the quality of their design and service. They introduced white hull colours as a permanent feature of the P&O fleet, so it is not surprising that they were nicknamed the "White Sisters". The 22,544 ton Strathaird was the second in the class, and is shown here off Port Said. (Watercolour by*

*William Ashton, 1946)*

**Sea is for Cruising  
1904-1985**

It is said that P&O "invented" cruising. Certainly, Arthur Anderson included dummy advertisements for cruises to Shetland, the Faroes and Iceland in the first edition of his "Shetland Journal" newspaper in 1835, while the novelist William Makepeace Thackeray made what he called a "Mediterranean cruise" aboard a series of P&O ships - *Lady Mary Wood*, *Tagus* and *Iberia* - in 1844, and published enthusiastic memoirs in "Notes of a Journey from Cornhill to Grand Cairo".



*Orient Steam Navigation Company, acquired by P&O at the end of 1918, had begun cruises to the Mediterranean and to Norway in 1889, and to the West Indies in 1893, using ships no longer needed for full-time service on the UK/Australia mail route.*

In the 1880's the North of Scotland shipping company of Aberdeen and the Orient Line of London, both later to be taken over by P&O, pioneered modern-style cruises returning to their ports of departure, and in 1904 the Company itself offered its first cruise programme: First Class only with shore excursions arranged by Thomas Cook, using the 23-year-old liner *Rome*, renamed *Vectis* in her new role as a "cruising yacht". Between the Wars cruising became more popular, often using the newest ships in the fleet rather than the oldest. *Ranchi*, built in 1925, cruised extensively from the beginning of her career, as did *Viceroy of India* delivered in 1929. Tourist class cruises from the UK, and Pacific cruises from Australia, began in the 1930s.



*P&O cruises began in 1904 with *Vectis* (5,545 tons), built in 1881 as *Rome* and converted into a First Class-only "cruising yacht" when her line voyage career was over. As cruises became more popular she was joined and ultimately replaced by some of the newest ships in the P&O fleet.*



*Viceroy of India (19,648 tons, built 1929) was a one-off ship built for P&O's UK/Bombay mail service. She also proved very popular on cruises, in the late 1930s venturing as far afield as South America and the South Atlantic. She was sunk off Oran when serving as a troopship in the North African campaign in 1942.*

With no rigid mail contracts after 1945, cruising became still more important. P&O's last ship built for scheduled line voyages, *Canberra*, was delivered in 1961, and helped to enlarge the Group's passenger services in the Pacific, but even she and her one-year-older consort Orient Line's *Oriana* spent a growing amount of time cruising. At the same time the British India Company, with surplus troopships on its hands after the ending of their Government contracts, renewed the idea of educational cruising for parties of school children.



*Canberra cruising off Spitzbergen late in her career. During 36 years in service, from 1961 to 1987, the 45,000-ton "Great White Whale" sailed more than 3 million miles and carried nearly 1 million cruise passengers, not to mention emigrants, other line voyage travellers, and troops and prisoners-of-war during the Falklands campaign in the course of which she acquired her nickname.*



*Oriana (41,915 tons, built 1960) was the last passenger liner ordered for the Orient Line, and entered service in its distinctive "corn" hull colours, introduced in 1935. In the interests of uniformity they gave way to P&O white in the mid 1960s when the two passenger operations were combined, though a similar colour was revived for P&O cargo ships a decade later.*

In little more than a decade jet airliners took over P&O's traditional passenger trades while the container ship picked up cargoes including those formerly carried by passenger liners. These developments had an enormous effect on the Group and were a key reason for its subsequent diversification as well as its concentration on the leisure side of sea travel. P&O abolished separate passenger classes in the early 1970s, acquired Los-Angeles-based Princess Cruises in 1974, bought and later built purpose-designed cruise ships and became one of the largest cruise operators in the world.



*The 44,348-ton Royal Princess was named by HRH The Princess of Wales at Southampton in November 1984. The ship's advanced "all outside cabin" layout was designed for the lucrative North American market including the burgeoning Alaskan trade where Princess Cruises was a major operator.*

## Cargo Shipping and Ferries 1946-1985

For thirty years after the Second World War the greatest proportion of P&O's investment was in cargo ships - conventional and refrigerated cargo liners, tramps, bulk carriers, tankers, liquefied gas carriers and especially container ships. While traditional cargo ships remained in service with the Group until the early 1980s, it was as a co-founder and later owner of Overseas Containers Ltd (OCL), that P&O pioneered the biggest change in cargo shipping in its entire existence, not merely converting all its dry cargo liner routes to container operations over a period of about 15 years, resulting in a substantial reduction in the number of ships and the sale or scrapping of its entire conventional fleet, but also establishing the necessary on-shore infrastructure of container ports, inland depots, and road, rail and inland waterway transport links.



*Strathcarron (10,031 tons) is seen here in the Malacca Straits in the late 1970s livery of P&O Strath Services (formerly the General Cargo Division), but started life in 1969 as BI's Amra. She was equipped with a 300-ton Stulcken derrick to enable her to carry heavy or oversize deck cargoes such as these barges bound for the Gulf.*



*Moreton Bay (29,100 tons) was one of two ships delivered to P&O in 1969 as its first contribution to the containerisation of conventional cargo liner trades by the Overseas Containers Ltd (OCL) consortium of which P&O was a founder partner and ultimately sole owner. She and her sister Discovery Bay served on the UK/Australia trade.*

Having entered the tanker trades in 1959, with ships at first owned and operated by individual Group companies, P&O set up Trident Tankers in 1962 to manage the fleet, but by the mid-1970s had withdrawn from the crude oil business although it kept its interest in the Panocean parcel tanker concern, set up in 1969, until the early 1980s. Its expensive and ultimately unprofitable involvement in liquefied gas carriers similarly lasted only a decade and a half, from 1972 to 1986, and its most enduring venture into bulk shipping involved dry bulk carriers, first as partners in Associated Bulk Carriers in 1965, for which the Hain and Nourse companies were merged (as Hain-Nourse, what else!) to operate P&O Group-owned ships, and from the early 1980s until 1998 as sole owner of one of the leading operators of "capesize" tonnage under the P&O Bulk Carriers name.



*When in the 1950s P&O entered the tanker trades, it began with ships of about 20,000 tons operated by existing Group companies, but a new company, Trident Tankers, was set up in 1962 to take over the whole tanker fleet, and successive orders were for larger vessels. The 66,048-ton Orissa was built in 1965, but by 1970 215,000-ton tankers were in service.*



*The 264,591 ton ore/oil carrier Lauderdale, delivered in 1972, was the largest ship yet built for P&O, though she only served the Company for ten years before being sold for further trading. Here she loads at the Iranian oil terminal at Kharg Island in October 1973.*

In the mid 1960's the Group began to invest in roll-on/roll-off ferries, initially in the North Sea Ferries and Normandy Ferries partnerships (both later wholly-owned), but also on its own account as its conventional short-sea cargo vessels were phased out in favour of ro-ro tonnage in the 1970s. By then the Group had at one time or another owned practically every kind of merchant ship except icebreakers, an omission rectified when an Antarctic supply and research vessel, *Aurora Australis*, was delivered in 1990.



*Dragon (6,141 tons, built 1967) began her P&O Group career on the Normandy Ferries joint venture between Southampton and Le Havre, though she occasionally ranged as far afield as Casablanca and Tangier. Sold to European Ferries in 1985, she rejoined P&O two years later, by which time she had been renamed Ionic Ferry and was running between Cairnryan in Scotland and Larne in Northern Ireland.*



*Aurora Australis (6,574 tons, built 1990), a polar research and supply vessel chartered by P&O Australia to the Australian Antarctic Division to service its research bases in the Southern Continent.*

## Reorganisation, Diversification, Retrenchment 1971-2000

In 1971 the P&O Group was reorganised into five "operating divisions": Bulk Shipping, General Cargo, Passenger, European & Air Transport, and General Holdings. During the following twenty years, the General Cargo and General Holdings divisions both disappeared, Passenger Division was renamed P&O Cruises, and "E&AT" was split between Ferries and European Transport, the latter primarily concerned with door-to-door road haulage under the Ferrymasters and Pandoro names.



*A Ferrymasters tractor and trailer disembark from a P&O ferry at Ipswich after crossing on the North Sea Ferries service from Europoort in 1986.*



*A large number of P&O's earliest stockholders were Irish, and it re-established its Irish connections with road haulage and ferry operations in the 1970s. This Pandoro truck on the R666 road between Ballyduff in County Waterford and Fermoy in County Cork shows off P&O's late-1980s "Euroblue" livery to good advantage.*

Significant investments were also made in completely different fields, including a short-lived Energy Division involved in North Sea oil exploration and US oil production, but more profitably in construction and housebuilding, property and industrial services. These interests, no longer needed to support the Group's core businesses, had largely been sold by the end of 1999.



*Among the more unusual and shortest-lived of P&O's diversifications in the 1970s was the acquisition of the Louisiana-based inland oil production company Falco, one of whose tankers is here seen on the road between well-head and refinery.*

The Bovis group of companies, acquired in 1974, included construction management, housebuilding and property, primarily in the UK. It acquired three leading American construction companies between 1987 and 1992, and by 1997 ranked as the world's largest general construction contractor. Bovis Homes was given a Stock Exchange flotation in 1997, and Bovis Construction Group was sold to Australian owners in 1999.



*Bovis Construction, part of P&O from 1974 until 1999, was awarded the management contract for construction of the new Lloyd's Building in Leadenhall Street, London, in 1980. Immediately across the street from P&O's former Head Office at no. 122, it was completed in 1986.*



*The Lord Sterling of Plaistow CBE, who became Chairman of P&O as Mr Jeffrey Sterling in 1983. He was knighted in 1985 and created a life peer in 1990.*

In 1983 Jeffrey (later Sir Jeffrey, now Lord) Sterling became Chairman of P&O, and in 1985 merged his company Sterling Guarantee Trust with P&O. SGT included the management and development arms of Town & City Properties, with substantial investments in the USA, and Earls Court & Olympia's exhibition and conference centres, as well as warehousing, which was absorbed into P&O's European Transport Services division, and UK-based contract caterers and tool distributors, both sold in 1993. P&O's property interests were further expanded in the late 1980s, although substantial disposals were made later, Earls Court Olympia being sold in 1999 and the bulk of the UK investment portfolio early in 2000.



*Lenox Park, a P&O Properties urban business park in Atlanta, USA, was acquired when P&O took over the European Ferries group in 1987. After development was successfully completed, it was sold in 1999.*



*The Olympia International Showjumping Championships were already well-established when P&O acquired Earls Court and Olympia through the takeover of Sterling Guarantee Trust in 1985. "EC&O" was sold in 1999.*

## Shipping to the Core 1985-2000

In the years following the merger with SGT, P&O developed in all its major areas of activity, by both organic growth and strategic acquisitions, while also divesting itself of a number of non-core operations.

In shipping, it bought out its partners in Overseas Containers in 1986, purchased ferry, property and harbour group European Ferries in 1987, and doubled the size of Princess Cruises with the acquisition of the cruise line Sitmar in 1988. It acquired first a half-interest and then total ownership of short-sea tanker operator Rowbotham Tankships, though this was later sold, and bought most of the Cunard Ellerman container shipping interests from Trafalgar House in 1991.



*Newport Bay (,093 tonnes, built 1993) leaving Rotterdam on P&O Containers' weekly Europe/Far East service. P&O called at Hong Kong almost continuously from 1845 to 2005, latterly through the P&O Nedlloyd joint venture.*



*P&O European Ferries' 26,433-ton Pride of Dover, built in 1987, seen entering Calais. At the time of her delivery she was the largest ship on the short sea ferry routes out of Dover, having been ordered for the European Ferries Group which P&O purchased earlier in the same year.*

A series of international joint ventures was established. P&O Containers merged with the Dutch company Nedlloyd Lines at the end of 1996 to form P&O Nedlloyd, one of the three largest container shipping companies in the world, further enlarged by the acquisition of Blue Star Line in 1998. P&O Australia revived the old name International Offshore Services for an offshore supply vessel company set up with the Norwegian concern Farstad in December 1997. In March 1998 P&O and the Swedish company Stena merged their ferry services across the Straits of Dover; and in bulk shipping another old identity, Associated Bulk Carriers, was revived in July 1998 for a joint venture with the Chinese steel group Shougang to produce the world's largest fleet of "capesize" vessels, though in April 2000 P&O bought out its Asian partners.



*At the end of 1996 P&O and the Dutch Royal Nedlloyd Group combined their container shipping businesses as, not unsurprisingly, "P&O Nedlloyd", in line with contemporary trends towards larger and more efficient companies with worldwide operations and larger vessels, most of whom painted their names in large letters on their ships' sides!*



*Growing competition from the Channel Tunnel led to the establishment in 1998 of a joint venture, P&O Stena Line, between the two largest ferry operators out of Dover, P&O and the Swedish Stena concern. Better service to customers was also reflected in the provision of quality catering facilities such as this Langan's Brasserie aboard P&OSL Aquitaine (28,833 tons, built 1992).*

A fleet renewal and expansion programme for P&O Cruises reached a new peak in May 1998 when the world's then largest-ever cruise ship, the 109,000 ton *Grand Princess*, was delivered to Princess Cruises. By the time of the demerger of the cruise businesses in October 2000, a further nine cruise vessels were on order, including two for Aida Cruises, a German concern in which P&O had taken a controlling interest in 1999.



*Grand Princess (108,806 tons) was the largest cruise ship in the world at the time of her delivery to Princess Cruises in 1998. Too large to pass through the Panama Canal, she was designed for service in the Mediterranean and Caribbean, carrying 2,600 passengers. Her West Indian itineraries included calling at Princess Quays, a "private beach" available only to passengers.*



*In contrast to the ever-larger ships being built for the traditional Princess and P&O cruise fleets, in 1999 P&O acquired control of the German specialist cruise operator Aida Cruises, which catered for a somewhat younger passenger, including aficionados of mountain biking, scuba diving and other energetic pursuits, with the 38,531-ton Aida, built in 1996.*

The on-going P&O Group was also renewing its fleet. By the end of 2000, two 60,000-ton ferries, the largest in the world, had been delivered for the North Sea, and two smaller ferries for Irish Sea ferry routes, with a further one on order. New offshore support vessels were under construction, while P&O Nedlloyd also had a substantial building programme for its own account, not including several more ships being built for other owners for charter to the company.



*P&O North Sea Ferries, began operations between Hull and Rotterdam as a joint venture in 1965 but has been wholly-owned by P&O since 1996, took delivery in April 2001 of the first of its fourth-generation ships, the 60,600-ton "cruise ferry" Pride of Rotterdam, one of the largest ferries in the world, followed by Pride of Hull in November.*

## Ports and Logistics 1975-2000

P&O's presence in Australia dates back to 1852. In 1968 P&O Australia was established to consolidate the Group's business interests in that country and to spread into emerging markets around the Pacific Rim. It developed or acquired catering, cleaning and facilities management companies, but these were sold in 1999, and most notable of the continuing operations were P&O Ports and P&O Cold Logistics.

P&O has a long involvement in conventional port operation in Australia, and gained substantial experience in the development of specialised terminals when the Australia/Europe cargo liner trades were containerised at the end of the 1960s. It was, by 2000, the major service provider in most ports throughout Australia. In the mid 1980s developing countries in the region, anxious to develop the best infrastructure possible, began looking to the private sector for partners, and P&O's first overseas contract - to develop and manage Kelang Container Terminal in Malaysia - was gained in 1986. P&O Ports underwent steady international growth through acquisition and investment as well as the absorption of other P&O Group port businesses, and by the end of 2000 it operated some 25 container ports in 16 countries with other cargo handling interests in a further 30 ports.



*The development and management of Port Kelang in Malaysia became in 1986 the first project outside Australasia undertaken by P&O Australia's burgeoning ports division, now as P&O Ports one of the largest such companies in the world.*



*A container crane operator at Miami. P&O Ports first acquired interests on the East and Gulf coasts of the USA in 1999.*

P&O Cold Logistics originated from the provision of cold storage for export meat handled by P&O's stevedoring interests in Australia in the 1960s and 1970s. As P&O Australia's experience and expertise in cold storage grew, the business expanded into general cold storage services in key cities. In 1981 these businesses were renamed P&O Cold Storage Ltd, and from 1982 it developed long term storage contacts for established retailers and manufacturers. In 1989 the business was expanded into New Zealand and in 1994 P&O entered the US market with the acquisition of operations in Southern California and Nevada. Other investments followed in Texas and New England, to make the USA the largest sector of the cold storage business. Investment also followed in Argentina in 1996, and the company was renamed P&O Cold Logistics in February 2000 to better reflect the development of the business and its expansion into inventory control, replenishment and delivery services.



*P&O Cold Logistics warehouse at Laverton, Victoria, Australia. From its first cold stores handling export meat cargoes, P&O expanded into long-term contracts for retailers and manufacturers in major Australian cities.*



*P&O has operated cold logistic facilities in the USA since 1994, and by 2000 this had become its largest market, although it continued to dominate the trade in Australia and New Zealand and was well established in South America.*

In Europe, P&O European Transport Services acquired the German haulage, barge and storage group Rhenania in 1989, as part of the major expansion of its European transport division which was spreading into many former Eastern Bloc countries. After selling its Continental road tanker and tank container interests, and renaming itself P&O Trans European in 1997, this operation concentrated on contract logistics, supply-chain management and door-to-door unit load haulage.



*A P&O Trans European warehouse in Germany.*



*Indicative of overwhelming political change, a P&O Ferrymasters truck overhauls a Trabant saloon "somewhere in Germany" in the early 1990s.*

## **Into the Twenty-First Century**

The Peninsular and Oriental Steam Navigation Company has been a global transport operator for over 160 years, adapting as required to the trading world around it. In February 2000 it announced that its cruising companies were to become an independent concern, P&O Princess Cruises plc, listed on both the London and New York Stock Exchanges, and this was achieved in October 2000. In April 2003 P&O Princess Cruises was taken over by Carnival Corporation, but the new organisation continues to use the P&O Cruises brand in both the UK and Australia, under licence from P&O.

P&O itself has continued to change. A new joint venture involving its bulk carrier interests was announced at the end of 2000, while 2001 saw the delivery of two of the largest ferries in the world for the North Sea and the winning of the port concession at Chennai in India.

During 2002 P&O further expanded its ports business in Asia and Europe and its cold logistics interests in the USA. It bought out its partner in the P&O Stena ferry business and reorganised the Dover Straits, Western Channel and North Sea operations under one "P&O Ferries" banner. P&O Scottish Ferries was closed after the routes it operated for the Scottish Executive were transferred to another company. At the end of the year the contract logistics business P&O Trans European was sold.

In 2003 there were further port acquisitions in Vancouver, Mundra, Le Havre, Fos and Marseille, as well as the growth of existing facilities at Shekou and Chennai. P&O's shares in its offshore supply vessel and bulk carrier joint ventures, International Offshore Services and Associated Bulk Carriers, were both sold.

Substantial property disposals continued in 2004, as well as the sale of P&O's resort interests in Australia and La Manga Club in Spain. Some Irish Sea ferry routes and ships were also sold. A concession was acquired for a major new port development at Antwerp, and the P&O Nedlloyd container shipping joint venture was converted first into a free standing company, Royal P&O Nedlloyd, with a P&O interest of 25% and then, in 2005, bought entirely by AP Moeller-Maersk.

In March 2006 P&O and all its assets were bought by DP World one of the world's fastest growing marine terminal operators. The new combined organisation is the third largest of its kind worldwide with 52 terminals in 30 countries.