



## **BCR Group of Companies and P&O Ports Sign Agreement for the Sale of Casco Terminals and Canadian Stevedoring**

**NORTH VANCOUVER** (January 20, 2003) – The BCR Group of Companies and P&O Ports, a division of the Peninsular and Oriental Steam Navigation Company (“P&O”) today announced they have signed an agreement for the sale of Casco Terminals and Canadian Stevedoring to P&O Ports. P&O Ports is one of the world’s largest container terminal operators and developers.

P&O Ports will pay \$105.6 million for the assets of Casco Terminals and Canadian Stevedoring. The respective Boards of Directors have approved the transaction. The agreement is conditional on the fulfillment of certain conditions, including clearance from the Canadian Competition Bureau. Closing is anticipated to be in mid to late February 2003.

“P&O Ports is exactly the match we were looking for to unlock the full potential of our marine assets. P&O Ports has the capital resources to allow Casco Terminals and Canadian Stevedoring to reach their full potential,” said John McLernon, chairman of the board, BCR Group of Companies. “I know our people will have an exciting future as part of P&O Ports.”

“The completion of this sale is consistent with the Board’s decision to focus resources towards core freight railway operations in order to continue to build shareholder value. The proceeds of this sale will be used to reduce the BCR Group’s outstanding debt which will provide increased financial flexibility for our core operations,” McLernon added.

“We are delighted to be working with the Vancouver Port Authority and to have achieved an entry for P&O Ports into the important west coast market,” said Robert Woods, executive chairman of P&O Ports. “This is an important expansion of our network and we look forward to managing the business as it grows.”

“Today’s sale is good news for BC Rail and for the Port of Vancouver,” said Minister of Transportation Judith Reid. “It represents a significant investment by a major international company in Vancouver’s growing port, a world-class facility that annually accounts for an economic output estimated at \$3.5 billion. This investment will retain jobs and support expansion of the port’s operations.”

Casco Terminals is located on the south shore of Vancouver harbour and handles containers, pulp, packaged lumber and general cargo. Canadian Stevedoring is the largest supplier of stevedoring services on Canada’s west coast, serving 22 ports throughout the province. It

operates the Fairview Terminal in Prince Rupert.

This transaction is the culmination of a process that began in March 2002 with the announcement by the BCR Group of its intention to sell BCR Marine's three business units including the two being sold to P&O Group as well as the third business unit, Vancouver Wharves. CIBC World Markets is acting as financial advisor to BCR Group and is continuing to pursue the sale of Vancouver Wharves on behalf of BCR Group.

### **About BCR Group of Companies**

The BCR Group of Companies is a competitive, commercial Crown corporation owned by the Province of British Columbia. The main operating company now consists of BC Rail.

### **About P&O Ports**

P&O Ports has a presence on every continent with interests in 24 container terminals in 17 countries and other bulk and general cargo handling interests in more than 50 ports. P&O Ports contributed revenues of \$1.8 billion in 2001 to P&O. It currently does not have any operations on the west coast of North America.

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