

CP SHIPS WILL RESTATE PREVIOUSLY REPORTED FINANCIAL RESULTS

LONDON, UK (9th August 2004) – Further to its 5th August announcement that the release of its second quarter 2004 financial results has been rescheduled to 16th August, CP Ships Limited announced today that in conjunction with the release of second quarter 2004 results it will restate previously reported financial results.

As announced in May, CP Ships began implementing a new SAP financial accounting system in January. The implementation has revealed some deficiencies in former systems and related business and accounting processes, for which corrective action has been taken and continues. These deficiencies resulted in insufficient accruals for certain costs and also a number of balances from 31st December 2003 that need to be written off. There is no effect on cash.

The main effect will be on 2003. The estimated negative restatement of 2003 net income is between \$22 million and \$27 million which will be in addition to the \$8 million restatement of 2003 net income announced on 11th May 2004 in the first quarter 2004 report. Net income for 2003, which after the \$8 million restatement was reported at \$74 million, would become between \$47 million and \$52 million.

To a lesser extent, 2002 will be affected with an estimated downward revision of net income of about \$7 million. Net income for 2002 had been reported at \$52 million.

Furthermore, first quarter 2004 net income will be revised downward by about \$6 million from the \$8 million originally reported.

Nonetheless, CP Ships considers that net income for the year 2004 will be higher than 2003 net income, as originally reported before any restatements, of \$82 million.

Management has been conducting a thorough review of the financial statements which has involved Internal Audit and the external auditors PricewaterhouseCoopers and, for this, more time is needed. The review, to be completed to the satisfaction of the Audit Committee of the Board of Directors, is planned to be achieved in time to report second quarter 2004 results and restated prior periods on 16th August.

Pending completion of the review and publication of revised financial statements, investors should not rely on previously reported financial statements and related PricewaterhouseCoopers reports for the years 2003 and 2002 nor on financial statements for first quarter 2004.

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