



Rolls-Royce

Investor Update - Paris 2009

Appendices



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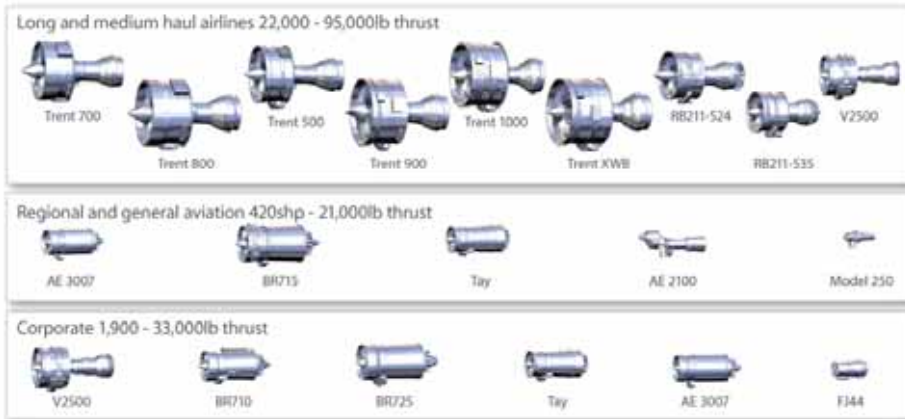
2009 Guidance

- **Revenue**
 - Continued revenue growth
- **Profitability**
 - Civil ~ profits down year on year
 - Marine and Defence ~ continuing revenue and profit growth
 - Energy ~ modest profit
 - Continuing focus on cost and efficiency
 - FX ~ no deterioration in achieved rate year on year
 - Unit costs increase 2% to 4%
 - Group underlying profits broadly similar to 2008.
- **Cash flow**
 - Cash flow impacted by increased dividends, slowing deposits, customer finance risks and inventory management
 - Average net cash will increase despite cash outflow in 2009



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Civil Aerospace portfolio



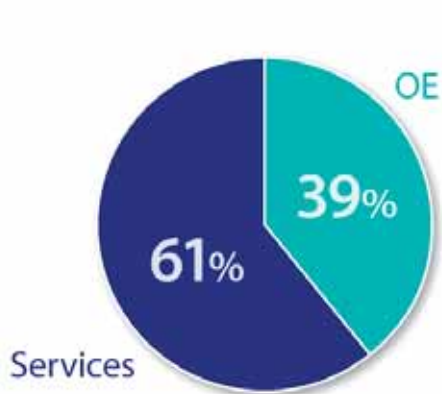
The broadest civil product range of any manufacturer



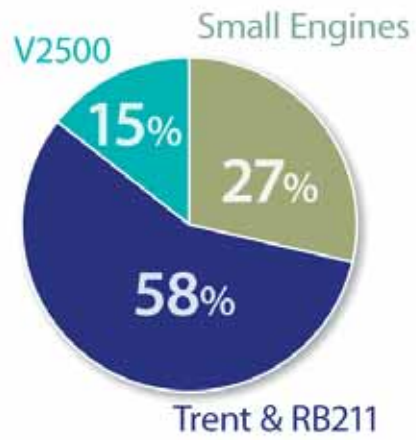
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Civil – Well-balanced portfolio

2008 Revenues ~ £4.5bn



- Market leader – Large Corporate and Widebody
- Large and increasing installed thrust
- Young, fuel efficient fleet



- Growing despite delayed major new programmes
- Increasing penetration of TotalCare and CorporateCare



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Civil Aerospace

Revenues *		Profit *		Order Book**	
2008 £m	2007 £m	2008 £m	2007 £m	2008 £bn	2007 £bn
4,502	4,038	566	564	43.5	35.9

- Continued strong order flow in 2008
- Strongest engine deliveries since 2001
 - Installed thrust up 4% in yr, services revenues up 7%
- Minimal exposure to parked A/C in 2008
- Programme delays – operational volatility
- Mix, unit costs and FX headwinds
- Some deferrals and cancellations likely
- Underlying profits lower in 2009



*Underlying revenues and profit before financing costs
 **Order book stated on a constant currency basis



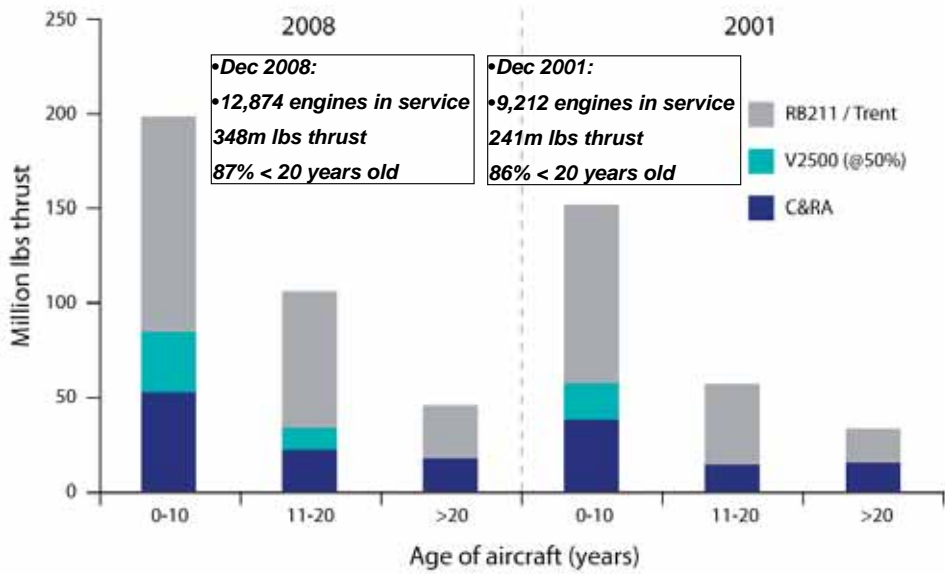
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Contingent liabilities: Sales Finance commitments



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Civil Aerospace - Installed thrust*



•Dec 2008:
 •12,874 engines in service
 348m lbs thrust
 87% < 20 years old

•Dec 2001:
 •9,212 engines in service
 241m lbs thrust
 86% < 20 years old

RB211 / Trent
 V2500 (@50%)
 C&RA

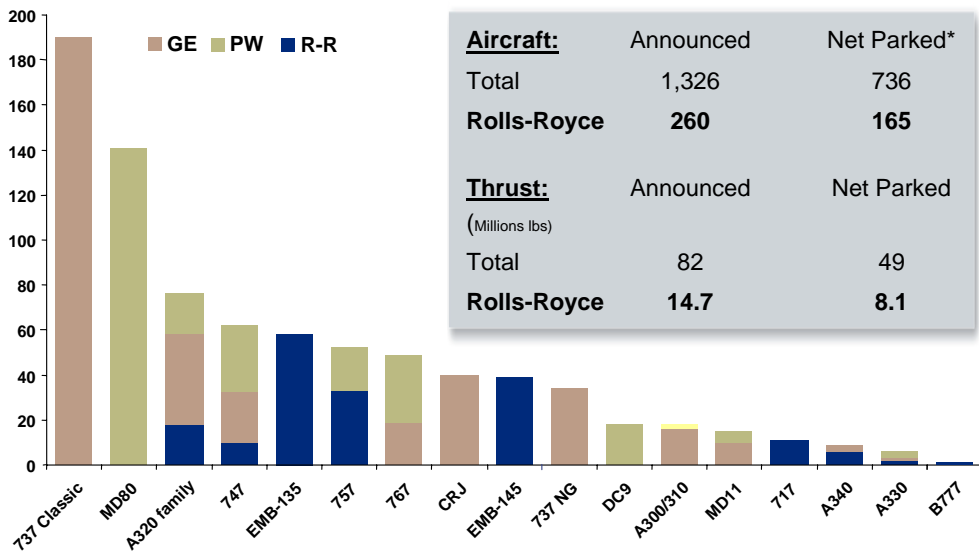
*Including 50% of V2500



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Increase in parked aircraft

Dec 2007 to May 2009




<u>Aircraft:</u>	Announced	Net Parked*
Total	1,326	736
Rolls-Royce	260	165

<u>Thrust:</u>	Announced	Net Parked
(Millions lbs)		
Total	82	49
Rolls-Royce	14.7	8.1



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Defence Aerospace portfolio

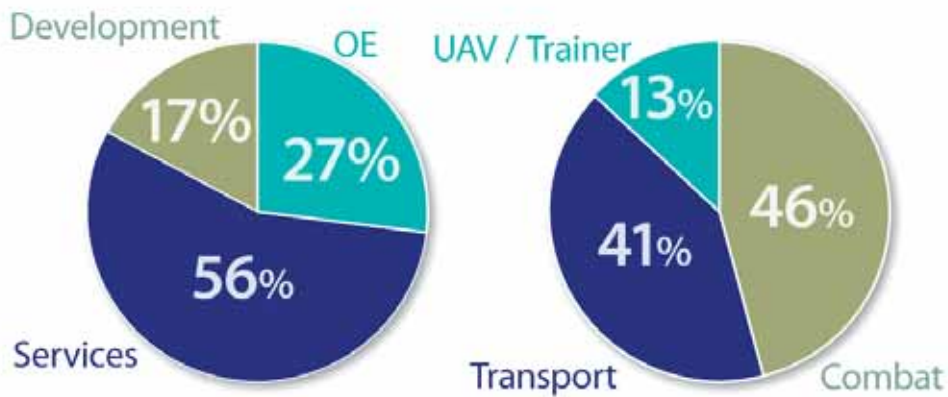
Combat  F135	 Pegasus	 RB199	 EJ200	 LiftSystem	Trainer  Adour	 Viper	
Helicopter  RTM322	 T800	 MTR390	 RR300	 Model 250	 Gem	 Gnome	 AE 1107C
Tactical  BR710	 Spey	 AE 3007	Transport  TP400-D6	 AE 2100	 T56		

The broadest military engine customer base



Defence – A broad portfolio

2008 Revenues ~ £1.7bn



- Broadly based portfolio
- >18,000 engines in service

- Well positioned on global programmes
- Combat, Transport, Helicopters, UAV's, Trainers



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Defence Aerospace

Revenues *		Profit *		Order Book**	
2008 £m	2007 £m	2008 £m	2007 £m	2008 £bn	2007 £bn
1,686	1,673	223	199	5.5	4.4

- Strong positions on major programmes~growing order book
- TP400 – Challenging but good progress on FTB, maturity testing
- Net-one off charges of £20m in 2007 not repeated
- Further growth in Transport sector supporting good profit growth in 2009



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Marine portfolio

Ship design and ship systems	Prime movers	Propulsors	Motion control	Support
				
Power systems, controls and instrumentation	Gas turbines 3 to 50MW Diesels 0.5 to 10MW	Waterjets, thrusters, Controllable pitch and fixed pitch propellers	Steering gear, stabilisers	Comprehensive customer support

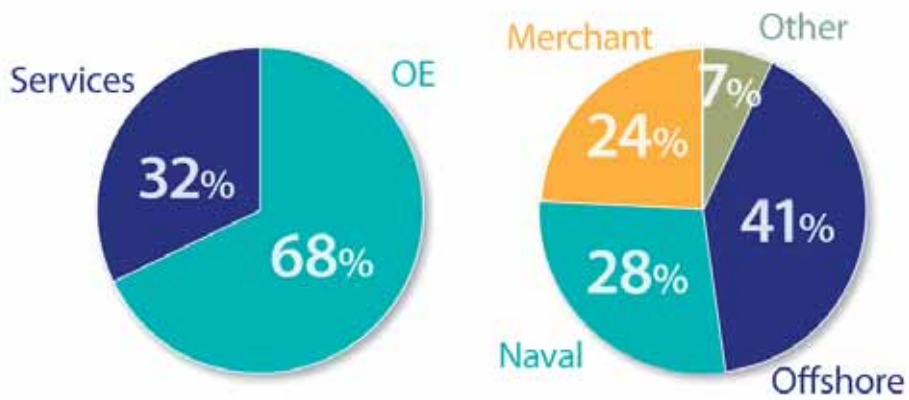
Integrated system solutions



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Marine – Continuing strong growth

2008 Revenues ~ £2.2bn



- Integrated propulsion solutions
- Product on 30,000 vessels
- Improving position in Naval

- Leading position in Offshore
- Services growing quickly – major opportunity



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Marine

Revenues *		Profit *		Order Book**	
2008 £m	2007 £m	2008 £m	2007 £m	2008 £bn	2007 £bn
2,204	1,548	183	113	5.2	4.7

- Increasingly broad portfolio addressing specialist vessels
 - Continued strong growth in Offshore
 - Extending capability through the acquisition of SEH
- Revenues up 42% driven by Offshore
- Services up 31% supported by expanding network
- Some order deferrals and cancellations expected
- Strong profit growth in 2009



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Energy portfolio



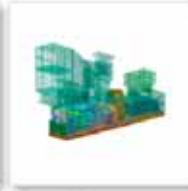
Reciprocating engine
2-8.5MW



501 / Avon
5-14MW



RB211
32MW



Trent 60
58MW

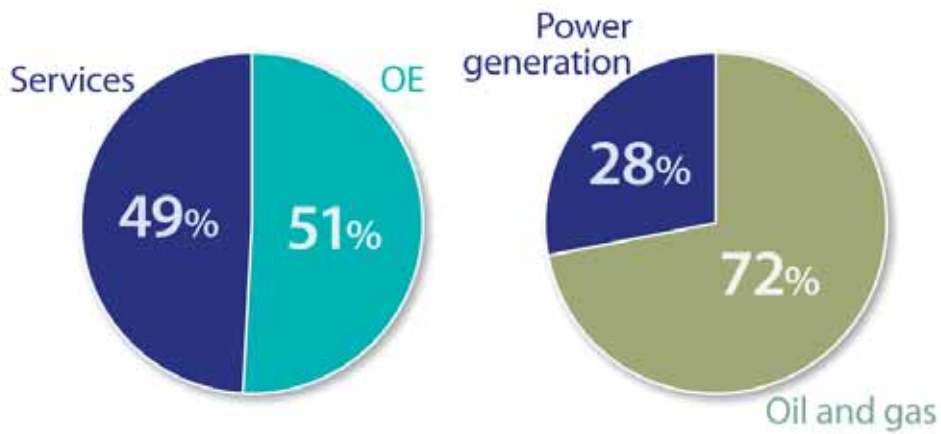
5-58MW aero-derived gas turbine energy solution



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Energy – Investing for future growth

2008 Revenues ~ £0.8bn



- Strong, well-positioned Oil & Gas
- Evolving Power generation

- Growing importance of long term services support
- Low carbon ~ fuel cells, tidal, nuclear



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Energy

Revenues *		Profit *		Order Book**	
2008 £m	2007 £m	2008 £m	2007 £m	2008 £bn	2007 £bn
755	558	(2)	5	1.3	0.9

- Strong Oil & Gas, Power Generation making good progress
- Record year for Industrial Trent
- Fuel Cells – focus on technology with reducing investment
- Established Civil Nuclear business, leveraging core skills and experience
- Technology fees in 2007 not recurring in 2008
- Modest profitability in 2009



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