



Rolls-Royce

Investor Update - Paris 2009

Civil Aerospace Mark King



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Agenda

Overview

Market outlook

Market position – products & services

Short term challenges

Summary

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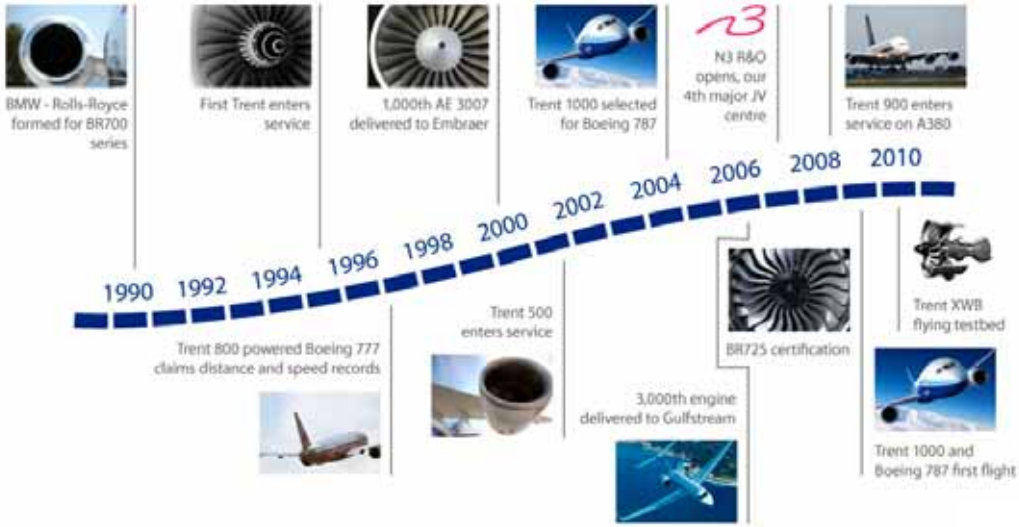
Short term challenges

Summary



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An evolving Civil business



Latest programmes are on track

Trent 900 (A380) – 10 aircraft in service, approaching 150,000 flight hours

Trent 1000 (B787) – 9,800 cycles, spec sfc demonstrated, first flight shortly

BR725 (Gulfstream G650) – on track for certification

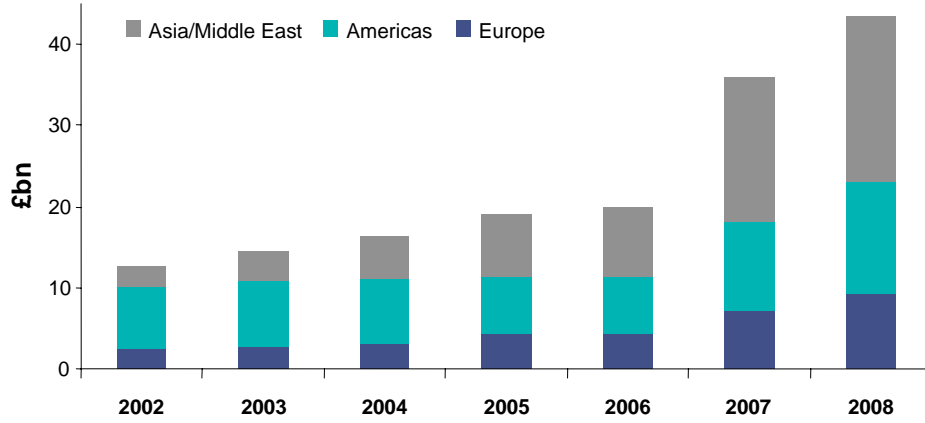
Trent XWB (A350XWB) – Flying test bed - 2010, Airbus 480+ aircraft announced



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A record order book

Providing visibility of future revenue growth



Firm and announced

Today - well balanced portfolio

2008 Underlying revenues £4.5bn

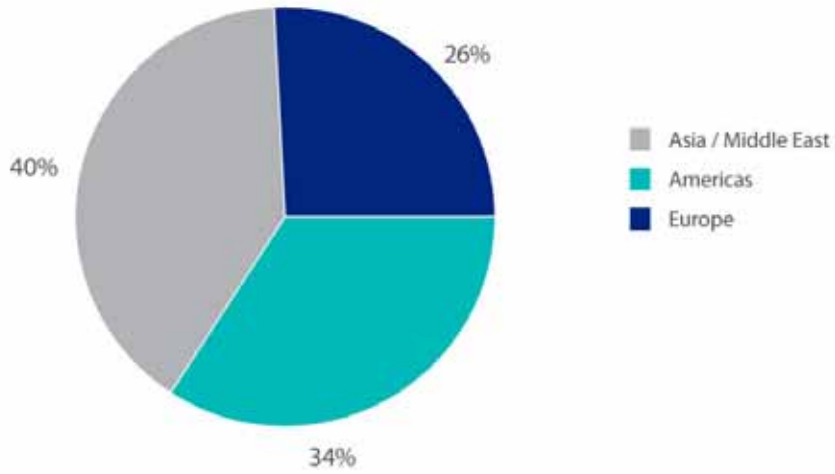


- Market leader – Large Corporate and Widebody
- Large and increasing installed thrust
- Young, fuel efficient fleet

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

A global customer base

2008 Underlying revenues £4.5bn



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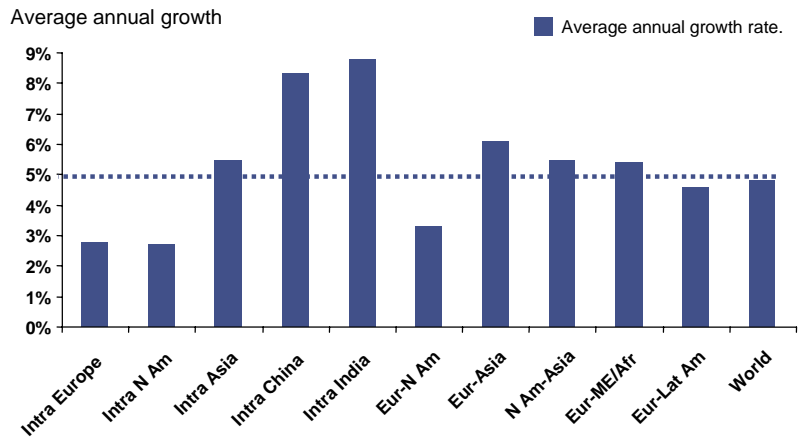
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Rolls-Royce traffic forecast 2009 - 2028



Growth primarily driven by Asian markets

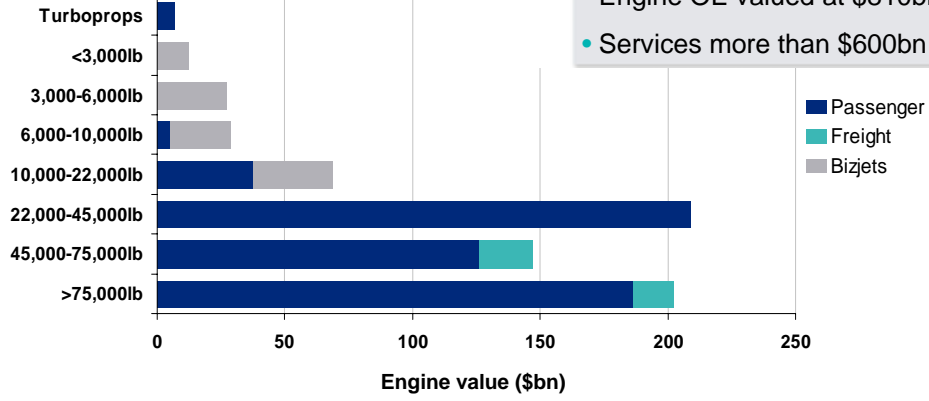
Intra Europe includes Charter
World traffic includes CIS



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Engine delivery value 2009 - 2028

Engine category



- 139,000 engines over 20 years
- Engine OE valued at \$810bn
- Services more than \$600bn

A market worth \$810 billion



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A strategy delivering success

TRENT

						
Airframe	-200/-300	-200/-300*	-500/-600	-800	-3/-8/-9	-800/-900/-1000
Engine	Trent 700	Trent 800	Trent 500	Trent 900	Trent 1000	Trent XWB
Market share	52%	40%	100%	52%	41%	100%

50% market share on modern widebody aircraft



Delivering for the Corporate market



World's leading engine supplier for corporate jets

Powering 15 types of corporate jets in a fleet of 2,100 aircraft

BR725 for Gulfstream on track for certification

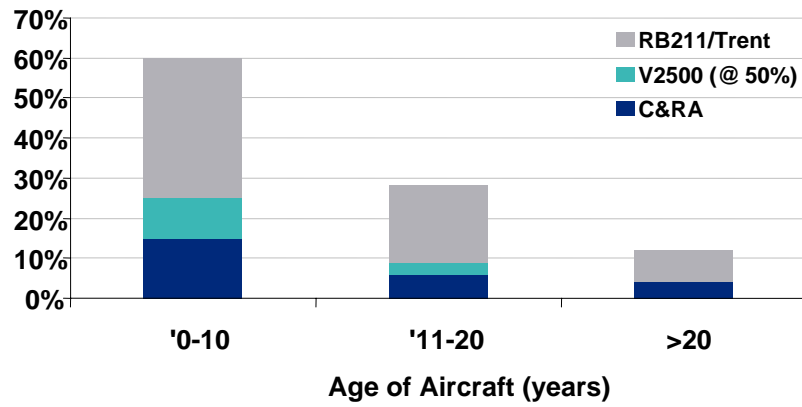
Market opportunity for the next 20 years over \$100bn



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An increasing fleet: Installed Thrust

348 million lbs (Dec 08)



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What are we seeing in our business?

Installed base – lower demand, lower utilisation, reduced scope for time and material overhauls

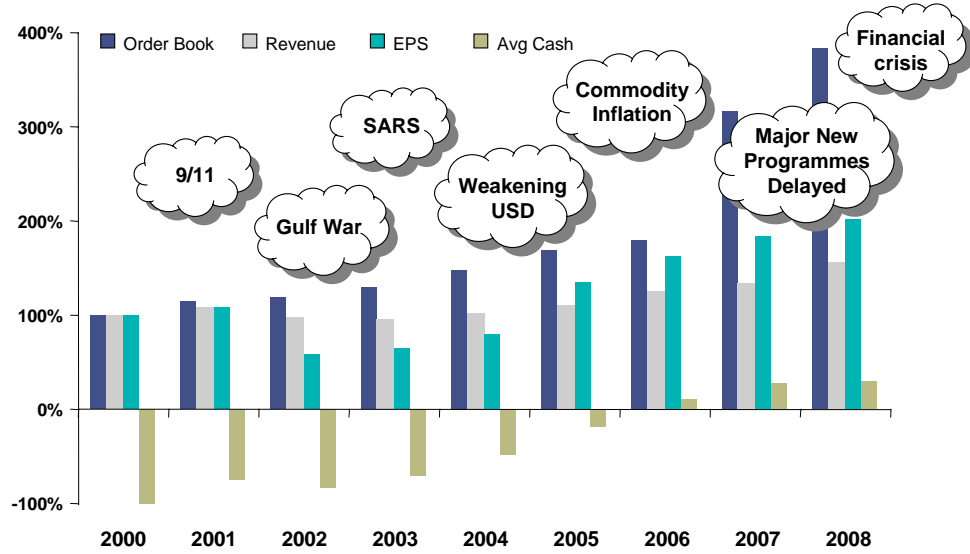
New deliveries – some deferral requests

Financing constraints



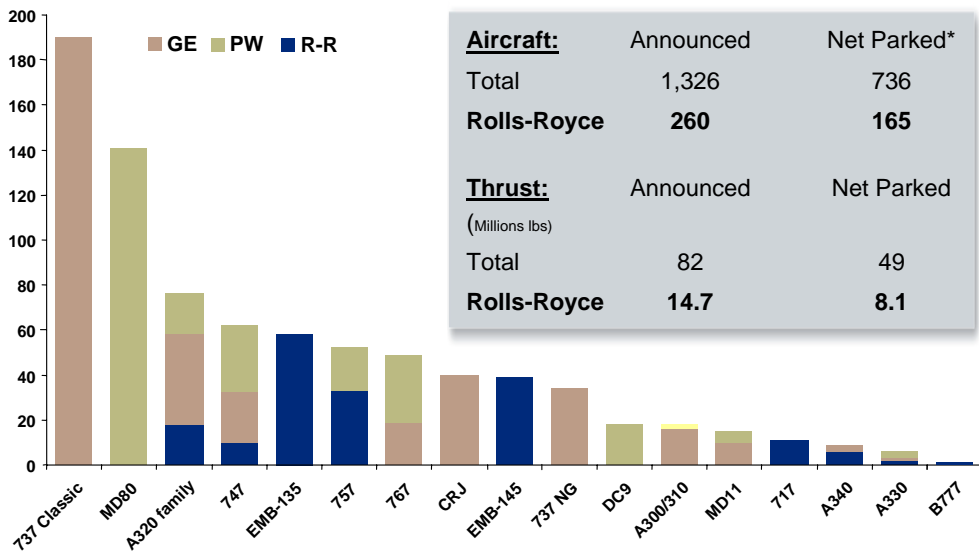
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Managing challenges



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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Managing the downturn

- Market environment remains tough – passenger traffic down, aircraft parked
- Increasing our customer focus
- On track with new programme commitments
- Strengthening our business – cost focus, operating efficiencies, right decisions, phasing investments
- Delivering on existing commitments

Providing certainty in uncertain times

Long term growth

- Solid and consistent strategy
- Breadth of position - balanced portfolio, broad backlog, services
- Investing in products, services and capabilities
- Long term opportunities remain strong

Trusted to deliver excellence

