



Rolls-Royce

Trusted to deliver excellence

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Group profile

Our ability to design and develop high-technology products and then integrate these into sophisticated power systems for land, sea and air, provides us with access to global markets.



Our consistent strategy

Based on five key elements

- address four global markets
- invest in technology, infrastructure and capability
- develop a competitive portfolio of products and services
- grow market share and installed product base
- add value for our customers through the provision of product-related services



2010 financial highlights

Order
book

£59.2bn

Underlying
Group revenue

£10.9bn

Underlying
profit

£955m

Original
equipment

49%

Services

51%

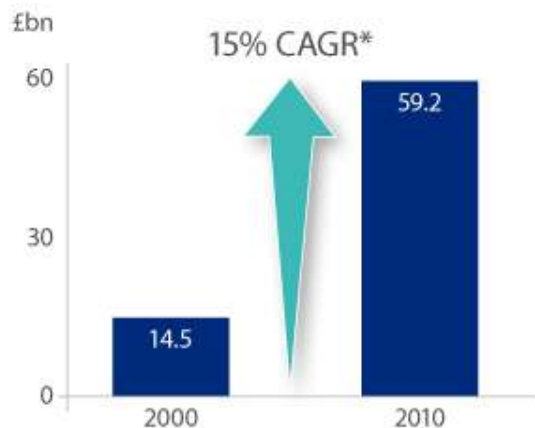


Underlying Group profit contribution 2010

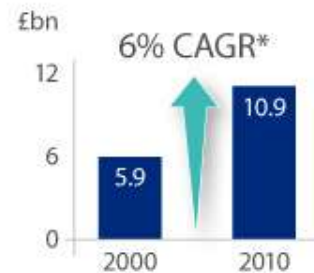
Civil aerospace	37%
Defence aerospace	29%
Marine	31%
Energy	3%

10 years of growth

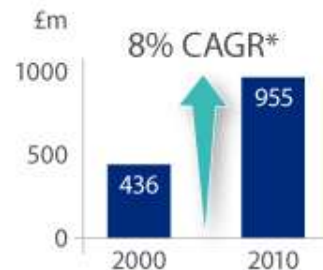
Group order book



Underlying Group revenue



Underlying Group profit



*Compound Annual Growth Rate



59.2bn order book (£)

Asia / ME / ROW	£28.3bn
Americas	£15.9bn
Europe	£15bn

Investing globally to support future growth

Recent investments include:

Crosspointe facility - Virginia, USA

- new disc facility

New UK facilities

- advanced disc manufacturing
- military fan blades
- turbine blades

Singapore facilities

- final assembly and test
- wide-chord fan blade
- advanced technology centre



Capital investments 2001-2010

The Group has invested £2.9 billion in capital projects over the past ten years

We will double turnover in the next 10 years

Through:

Growing markets

- we address four global markets

Growth of existing programmes

- Airbus A330
- C-130J, V22 Osprey
- Industrial Trent and RB211

Major new programmes

- Boeing 787 Dreamliner™
- Airbus A350 XWB
- Airbus A400M
- Littoral Combat Ship
- Wave-piercing UT Design vessel



Market opportunity over next 20 years

Civil	US\$1,400bn
Defence	US\$430bn
Marine	US\$340bn
Energy	US\$120bn

Civil aerospace

We power over 30 types of commercial aircraft, with strong positions in all sectors of the market: widebody, narrowbody, corporate and regional. A Rolls-Royce powered aircraft takes off or lands every 2.5 seconds.

- over 13,000 engines currently in service
- more than 500 customers
- 4,000 corporate operators

Market opportunity over 20 years

Original equipment **US\$800bn**

Services **US\$600bn**



2010 financial data

Order book	£48.5bn
Revenues	£4,919m
Profit	£392m



Defence aerospace

We are the world's second largest provider of defence aero-engine products and services with 160 customers in 103 countries. Our engines power all sectors of the market: transport, combat, reconnaissance, training, helicopters and unmanned aerial vehicles.

- key presence on US and European aircraft programmes
- 18,000 engines in service
- Services contribute 52% to underlying revenue

Market opportunity over 20 years



2010 financial data

Order book	£6.5bn
Revenues	£2,123m
Profit	£309m



Marine

We have a world-leading range of capabilities in the marine market, encompassing the design, supply and support of power and propulsion systems. Our marine business has 2,500 customers worldwide and has equipment installed on over 30,000 vessels.

- widest range of marine products from a single supplier
- ODIM acquired to extend deepwater oil and gas capabilities
- Service revenues grew by 11% in 2010

Market opportunity over 20 years

Original equipment **US\$215bn**

Services **US\$125bn**



2010 financial data

Order book	£3bn
Revenues	£2,591m
Profit	£332m

Energy

We supply gas turbines, compressors and diesel power units to customers in 120 countries. We are also developing a civil nuclear capability in the power generation market. Rolls-Royce is a leader in the supply of power for onshore and offshore oil and gas applications.

- transporting oil and gas through 60 major pipelines in 26 countries
- service revenue grew 15% in 2010
- progressing plans for a UK nuclear manufacturing base

Market opportunity over 20 years

Original
equipment

US\$70bn

Services

US\$50bn



2010 financial data

Order book	£1.2bn
Revenues	£1,233m
Profit	£27m

Services

Adding value for customers with comprehensive and advanced services that enhance the performance and reliability of our products.

- 76% of the civil large engine fleet is under TotalCare® service packages
- almost 350 energy gas turbines are now under long-term service agreements
- over 30 marine service centres in operation around the world

Combined market opportunity over 20 years

Rolls-Royce Group

US\$1,045bn



2010 financial data

Service revenues	£5,544m
Group revenue contribution	51%

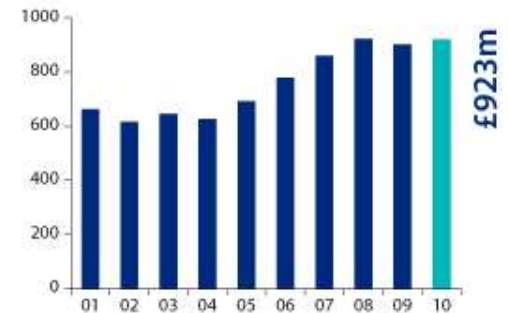
Research and development

We develop technologies and intellectual property that allow us to compete on a global basis in highly competitive markets.

- £923m invested in R&D in 2010
- nearly £8bn invested in R&D over the past ten years
- over 450 patent applications annually
- 28 University Technology Centres worldwide



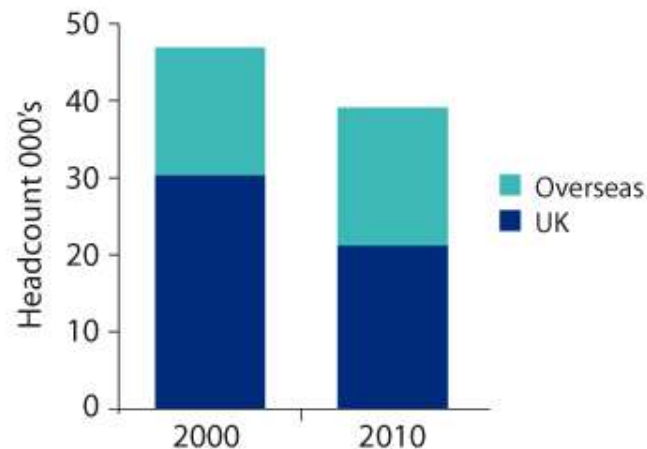
Gross research and development expenditure (£m)



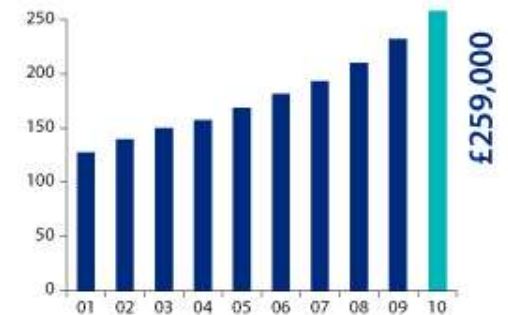
Global workforce

38,900 employees in more than 50 countries

- recruited 222 graduates from 73 universities worldwide
- 220 new apprentices recruited in 2010
- £33m investment in training and development



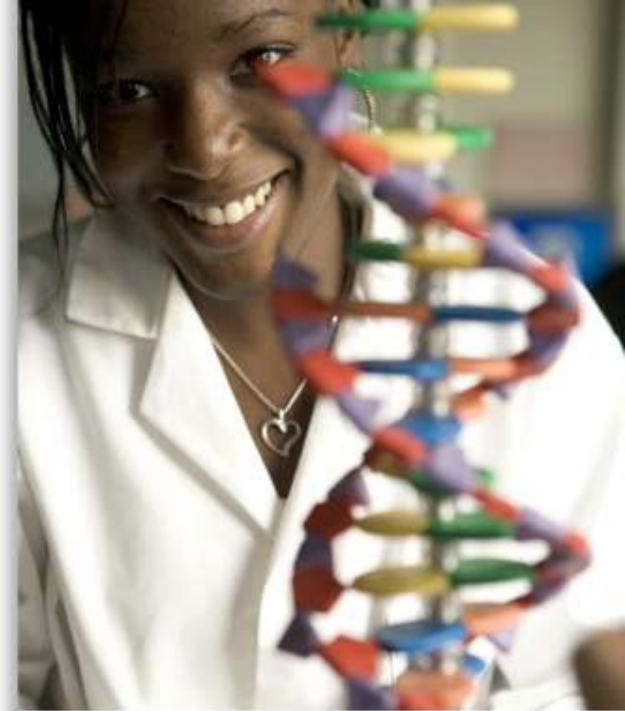
Revenue per employee (£000's)



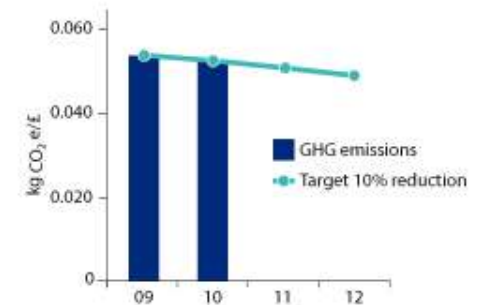
Sustainability

A fundamental part of the Group's business strategy. Areas of activity integral to the business are:

- business ethics
- health, safety and the environment (HS&E)
- employees
- society



Total Greenhouse Gas (GHG) emissions from operations 2009-2012



The environment

Our strategy

- maintain our drive to reduce the environmental impact of all our business activities
- further reduce the environmental impact of our products
- develop entirely new low-emission and renewable energy products



Global man-made CO₂*

Aviation	2%
Marine	3%
Energy	36%

*World Resources Institute, International Energy Agency and International Maritime Organization

Essential power delivered globally

Civil aerospace

- our engines are keeping up to 400,000 people in the air at any one time

Defence aerospace

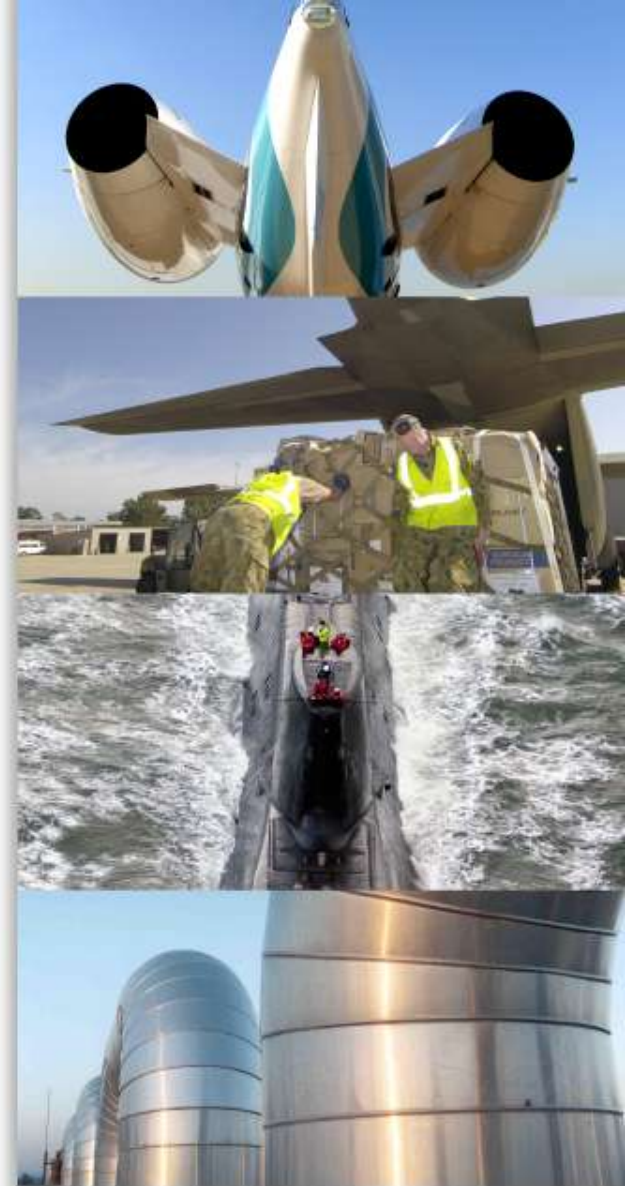
- 160 armed forces depend on our engines

Marine

- 30,000 commercial and naval vessels use our marine equipment

Energy

- powering customers in 120 countries in electricity and oil and gas markets





Rolls-Royce

Delivering today,
investing for the future