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ROLLS-ROYCE EXTENDS SERVICES PORTFOLIO AT FARNBOROUGH AIRSHOW

Rolls-Royce has increased the strength of its future aftermarket revenues and extended its customer service offering, as a result of agreements reached at Farnborough Airshow this week.

It announced today a new joint venture with the Mubadala Development Company to provide on-wing care to its expanding Middle East fleet through Abu Dhabi Aircraft Technologies. The new company will join Rolls-Royce's five other on-wing service centres in London, Hong Kong, Frankfurt, Indianapolis and Singapore, which support the company's civil fleet of around 4,000 installed engines.

The company also announced agreements today with Qatar Airways and Jet Airways to support their Rolls-Royce powered Airbus A340 and Airbus A330 aircraft respectively.

Revenue from aftermarket services comprises 63 per cent of Rolls-Royce Civil Aerospace revenues. Today more than 55 per cent of the company's modern jet engine fleet is covered by TotalCare® or CorporateCare® service agreements. With around 80 per cent of civil engine orders announced by Rolls-Royce in the last 18 months incorporating service arrangements, the proportion of fleet coverage will continue to rise, giving increased visibility of revenues.

"Our services activity continues to expand and is valued highly by our civil aviation customers," says Miles Cowdry, President – Services. "As we extend our capabilities through engine health monitoring, predictive maintenance and on-wing care, we can deliver value for our customers and for Rolls-Royce."

Note to Editors

1. Rolls-Royce, a world-leading provider of power systems and services for use on land, at sea and in the air, has established a strong position in global markets - civil aerospace, defence aerospace, marine and energy. [In each sector](#), Rolls-Royce offers value-added long-term service agreements for customers and operators.
2. The Group has a broad customer base comprising more than 600 airlines, 4,000 corporate and utility aircraft and helicopter operators, 160 armed forces, more than 2,000 marine customers, including 70 navies, and energy customers in nearly 120 countries. It employs around 38,800 people worldwide people in

offices, manufacturing and service facilities in 50 countries and has businesses headquartered in the UK, US, Canada, Germany, Scandinavia and China. This global presence allows the Group to access long-term international growth opportunities with its technology, presence, partnerships and people.

3. Rolls-Royce continues to invest in core technologies, products, people and capabilities with the objective of broadening and strengthening the product portfolio, improving efficiency and enhancing the environmental performance of its products. These investments create high barriers to entry.
4. Each year, in collaboration with its partners, Rolls-Royce invests over £800 million on research and development, two thirds of which has the objective of further improving the environmental aspects of its products. The primary technology investment area is aimed at reducing noise and emissions.
5. Sixty per cent of research and development investment and 40 per cent of new product development spending over the past five years has been outside the UK. Research and development is carried out in facilities in the UK, Germany, Italy, Singapore, Japan, the US and Scandinavia, with particularly strong relationships with the 29 universities where there are Rolls-Royce University Technology Centres.
6. Annual sales were £7.4 billion in 2007, of which 55 per cent came from services revenues. The firm and announced order book at the end of 2007 stood at £45.9 billion, of which aftermarket services represent 30 per cent, providing visibility of future levels of activity.

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