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ROLLS-ROYCE WINS \$2.6BN TRENT 1000 ORDER FROM VIRGIN ATLANTIC AND LAUNCHES JOINT ENVIRONMENT INITIATIVE

Rolls-Royce today announced a \$2.6 billion order for its Trent 1000 engines and associated services from Virgin Atlantic. The company also revealed that it is forming an environmental partnership with the airline to cut carbon emissions.

The Trent 1000 is the launch engine for all versions of the Boeing 787 Dreamliner, which enters service in 2009. Today's order, which includes a full-life TotalCare® services agreement, is for Trent 1000s to power up to 43 Boeing 787s and consists of 15 firm aircraft plus eight options and a further 20 purchase rights. Virgin Atlantic will take delivery of its first Trent-powered 787 in 2011.

The Trent-powered Boeing 787-9 Dreamliner will burn almost 30 per cent less fuel than previous generation airliners, resulting in an equivalent reduction in carbon emissions per passenger. The environmental initiative between Rolls-Royce and Virgin Atlantic will aim to identify further opportunities to reduce aircraft fuel burn through enhanced engine performance. Actions will be managed within the framework of the TotalCare agreement, under which Rolls-Royce assumes full responsibility for monitoring and maintaining the Trent 1000 fleet.

Sir Richard Branson, President of Virgin Atlantic, commented: *“Virgin Atlantic has chosen the cleanest possible engines for its more fuel-efficient future with the 787 Dreamliner. Rolls-Royce engines will help us cut emissions per flight by nearly 30 per cent and become the most sustainable airline in the world. Our new environmental partnership will also bring major benefits to the aviation industry, enabling us to work together on researching and developing the most efficient engines in the sky, and continuously improving the fuel burn of our fleet of aircraft.”*

James M. Guyette, President & CEO, Rolls-Royce North America, added: *“This is a vote of confidence in the Trent family by Virgin Atlantic. We share a common agenda to address environmental issues, and the new environmental partnership will help speed up research and development into reducing carbon emissions.”*

Virgin Atlantic has a strong, established relationship with Rolls-Royce and currently operates 19 Airbus A340-600s, which are powered exclusively by the Trent 500.

NOTE TO EDITORS:

1. Orders have been placed for around 700 Trent 1000 engines by 23 customers, resulting in a market share of 42 per cent on the Boeing 787.
2. The Trent 1000 maintains the 100 per cent record of Rolls-Royce over the past two decades in achieving on-time certification for all aero engine development programmes. This fifth member of the Trent series made history by becoming the first engine to be validated concurrently by the European Aviation Safety Agency (EASA) and America's Federal Aviation Administration (FAA) under new regulatory procedures.
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. In 2007, thirty two per cent of the Company's research and technology activity took place outside the UK. Research and development is carried out in facilities in the UK, Germany, US, Italy, Singapore, Japan and Scandinavia, with particularly strong relationships with the 29 universities where there are Rolls-Royce University Technology Centres.
5. Annual sales were £7.4 billion in 2007, of which 55 per cent came from services revenues. The firm and announced order book is £45.9 billion, of which aftermarket services represent 30 per cent, providing visibility of future levels of activity.
6. TotalCare, tailored for individual operators, offers a range of services from Rolls-Royce covering all aspects of asset management in support of its Civil Aerospace products. Building on the company's knowledge, experience and infrastructure, these services include elements such as predictive maintenance, logistics management, and global repair and overhaul offerings. TotalCare can remove uncertainties from engine management and improve operational reliability for operators through a mutually aligned business relationship.

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