

## Chairman's statement

Simon Robertson



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# 100

2004 marked 100 years since the historic first meeting of Charles Rolls and Henry Royce. The Group celebrated this with events around the world.

I am delighted to have joined Rolls-Royce at a time when the Group is well positioned to take advantage of past investments.

Our financial results for 2004 demonstrate continuing improvement. Profits increased by 21 per cent, earnings per share by 19 per cent, and debt levels were significantly down on last year. The directors are proposing that the Group maintains its payment to shareholders.

In 2004, the Group celebrated the centenary of the first meeting between Charles Rolls and Henry Royce. During its 100-year history, Rolls-Royce has created one of the world's most powerful and renowned brands and is today firmly established as a successful, international power-systems business.

The Group has developed a portfolio of products and services with leading market positions and is particularly well represented on the new generation of platforms that will shape the power-systems market for the next 50 years. The long-term nature of these programmes and the increasing number of engines in service should generate more stable and yet growing returns for the Group over many years.

I would like to thank my fellow Board members for their support and their contribution to this success. I would also like to pay tribute to the commitment and excellence of our management and workforce at a time of considerable change for the Group.

I owe a particular debt to Euan Baird, our former Chairman, who retired in June following an illness. He made a very strong contribution in the short period he served as Chairman and I wish him well for the future. I would also like to thank Lord Moore very much for his skilful stewardship of the Group over the last year and for the contribution he made to the Board as a non-executive director.

There have been a number of other important Board changes.

Sir John Taylor joined the Board as a non-executive director last November and his technical and engineering background will be invaluable to the Group.

Iain Conn was appointed as a non-executive director last month and will bring to the Board a wealth of international business experience.

Sir Robin Nicholson will be retiring at the conclusion of our next Annual General Meeting and I would like to pay particular tribute to the significant and lasting contribution he has made over the many years he has served on the Board. Sir John Weston retired in December and again I would like to thank him for his support and contribution in his time as a non-executive director.

Rolls-Royce is emerging from a period of difficult market conditions. Recent results demonstrate the effectiveness of our business model and its ability to generate value for shareholders. While market conditions remain challenging, we look forward to the future with confidence.

A handwritten signature in black ink that reads "Simon Robertson". The signature is written in a cursive, flowing style.

**Simon Robertson** Chairman  
February 9, 2005