



Services

Rolls-Royce has a long history of offering programmes which provide support for customers' engines.

The Rolls-Royce services strategy continues to focus on providing the right equipment availability at the right price for all of its customers in each of its business sectors.

Frequently, this entails long-term fixed price contracts, in which Rolls-Royce applies its skills to managing customers' assets. As the original equipment manufacturer, Rolls-Royce has unique product knowledge, know-how and a fleet-wide perspective. It exploits this knowledge to the benefit of its customers

Delivering on its availability commitments means the company is winning repeat business and contract renewals, often involving increases in the range of support. This demonstrates customer confidence in the Rolls-Royce approach and its ability to deliver, resulting in confidence in the sustainability of the model.

Today, more than 50 per cent of the Rolls-Royce fleet of civil aero engines by value is now under management.

Often these contracts will involve the maintenance and associated logistics of accessories in addition to the engines and, consequently, Rolls-Royce developed ComponentCare to complement TotalCare™ and CorporateCare™ for civil customers. Thirty seven ComponentCare contracts have now been implemented.

The business jet market has been particularly strong and 165 CorporateCare contracts were signed in 2006, exceeding the previous year's record of 103.

The defence business, in which Mission Ready Management Solutions (MRMS) is the main offering, had a strong year in 2006. Highlights included the Hercules Integrated Operational Support Contract covering 244 AE 2100 and T56 engines and the extension of the Spey engine contract and the inclusion of accessories in its scope. A series of contract wins in the US over the past two years, including the third renewal of the F405 contract, have resulted in more than 1,000 engines now being subject to Performance Based Logistics contracts for the US Department of Defense.

The successful execution of these service contracts requires a well co-ordinated approach, from pricing and monitoring and building the appropriate supply chains to day-to-day management of service delivery.

Recurring themes in the services business are closeness and responsiveness to the customer, and partnership and integration across the supply chain. Being close to the customer enables Rolls-Royce to improve its service offering continuously, increase efficiency and costs, and to innovate constantly. Indeed, Rolls-Royce has always been an innovator in this area, trade-marking 'Power by the Hour' almost 40 years ago.

Operations rooms in Derby, Bristol and Dahlewitz exemplify the commitment to responsiveness and integration by collecting, analysing, sharing and acting upon customer data to deliver the performance customers demand. They are the focal point for service delivery, assessing the condition of the fleets and instructing logistics and field maintenance activity accordingly.

To complement the operations rooms and their remote diagnostic capability, the local service infrastructure is being built up in each sector. In the civil market, there are On-Wing Care centres in Hong Kong, London and Newark in the US, with additional centres opening in 2007. In the energy and marine sectors, a multi-year plan to expand our global service network in the Americas, Europe, Middle East and Asia will provide engineering and logistics support closer to the point of demand. In defence markets, Rolls-Royce has teamed with Kellogg Brown & Root to win a support contract for the Australian Navy and have entered into agreements with Serco, Goodrich and BAE Systems.

Comprehensive global repair networks are central to the services strategy. A new facility in Derby opened in 2006 and the joint venture with Lufthansa Technik, N3, in Germany will begin operations in 2007. In the defence sector, Rolls-Royce continues to support the UK Ministry of Defence's Combat Aero Engine Support Alignment Study and the Ansty facility has a key role to play in the support of the RAF's requirements.

For further information go to

<http://www.rolls-royce.com/service/default.jsp>

