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ROLLS-ROYCE SELECTS SINGAPORE FOR REGIONAL PROCUREMENT HEADQUARTERS

Rolls-Royce, the global power systems company, has opened a regional procurement headquarters in Singapore to handle the management of suppliers in South Korea, Taiwan, Malaysia, India and Singapore, following considerable growth in its operations around the region.

Rolls-Royce operates in four global markets - civil aerospace, defence aerospace, marine and energy – and the continuing growth of these businesses in Asia is one of the key reasons for establishing a regional procurement headquarters.

The decision, which follows an extensive study of possible locations, also reflects the company's strong and long-standing partnership within Singapore.

Jonathan Asherson, regional director for Rolls-Royce in Singapore, said: *"Singapore's well-developed infrastructure; highly-skilled, professional and committed local workforce; close proximity to the rest of South East Asia and regional accessibility through Changi Airport were some of the key factors in choosing Singapore."*

"The country is also host to some of the company's most important supply chain partners such as Singapore Aerospace Manufacturing and JEP Engineering, and the opportunity for alignment with a number of existing Rolls-Royce regional operations was another key consideration."

The new procurement centre was opened with a dinner hosted by Rolls-Royce and attended by the Singapore Economic Development Board (EDB), local business partners, as well as senior representatives from Rolls-Royce in the UK.

"In recent years, Rolls-Royce has been rapidly growing its presence in Singapore, establishing partnerships that are strong, long-standing and more importantly, mutually beneficial. We are pleased that the rapid growth of their operations has led to the opening of this new regional procurement centre," said Mr Teo Ming Kian, Chairman, Singapore Economic Development Board.

Peter Taylor, regional supply chain executive, South East Asia, Rolls-Royce, said: *"Our strategy is to implement consistent global processes and practices locally, rather than to manage relationships from the UK and Germany. The procurement team in Singapore will develop world-class relationships with regional partners, underpinned by robust joint improvement planning and process excellence."*

The Rolls-Royce procurement team will initially comprise five members: four expatriates from Rolls-Royce UK - Peter Taylor, Simon Middlebrough, Grant Thompson and Matt Johnson - and one Singaporean recruit, Stephen Wong.

However, the plan is to develop a local team over the next two to three years by drawing on Singapore's excellent local talent pool.

NOTES FOR EDITORS:

1. Rolls-Royce works closely with customers in more than 130 countries around the world. In Singapore, it has strong and long-standing business partnerships with Singapore Airlines (SIA), Singapore Aircraft Leasing Enterprise (SALE), Silk Air – the regional subsidiary of SIA, SIA Engineering Company, the Republic of Singapore Air Force (RSAF) and ST Aerospace Engines Pte Ltd – an ST Engineering company.
2. Rolls-Royce has successfully partnered SIA in two major aero-engine joint ventures: Singapore Aero Engine Services Limited (SAESL) – a major Rolls-Royce Trent aero-engine repair and overhaul facility, and International Engine Component Overhaul Pte Ltd (IECO) – a 50:50 joint venture between SIA Engineering Company and Rolls-Royce.

3. Singapore is the regional headquarters for the company's Commercial Marine business, covering Asia, the Middle East, India and Australia. Customers in the Singapore marine sector include Jaya Holdings, Keppel Offshore, Neptune Orient Line, PSA Marine, Republic of Singapore Navy, ST Marine and Swire Pacific Offshore.
4. Singapore is also the headquarters for the Rolls-Royce Energy business in Asia, covering the regions of India, China and Australia, with customers such as Petronas in Malaysia, Pertamina and PLN in Indonesia, ConocoPhillips in Indonesia, ONGC in India and Woodside Petroleum in Australia.
5. The Rolls-Royce presence in Singapore has grown considerably. The company now has over 500 Rolls-Royce and joint venture employees and is benefiting from investments made in new products and markets, and continues to place emphasis on technology partnerships, and collaborative research and development.
6. An example of Rolls-Royce's local commitment is the company's participation in the Economic Development Board Training and Attachment Programme (TAP) which focuses on the investment and training of local talent. Seven candidates from Singapore are currently undergoing training for SAESL, with more candidates commencing training in January 2006 for the Fuel Cells business and one candidate for the procurement team.
7. Rolls-Royce signed an agreement with a Singaporean consortium of companies in April 2005 to invest together US\$100 million in developing a commercially viable power system based on fuel cell technology.
8. Rolls-Royce is a leading engineering company that operates in four global markets - civil aerospace, defence aerospace, marine and energy. Synonymous with integrity, reliability and innovation, it is the world's second largest civil aero-engine company, a global leader in marine propulsion and a leading supplier of energy solutions. All of the company's businesses have gas turbine technology at their heart, with 54,000 gas turbines in service worldwide.
9. Annual sales total nearly £6 billion (S\$17.24 billion), of which 55 per cent are services revenues. The order book is more than £21 (S\$60.34 billion), which, together with demand for services, provides visibility as to future activity levels.
10. The large installed base of Rolls-Royce engines worldwide generates demand for the provision of services. A key element of the company's worldwide strategy is to maximize services revenues, which have increased by 60 per cent over the past five years, by the provision of a comprehensive portfolio of services.

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