



2017 Full Year Results

Data Appendix



Contents

01	The Group	03	05	Power Systems	38
02	Financials	11	06	Marine	41
03	Civil Aerospace	24	07	Nuclear	44
04	Defence Aerospace	33	08	Civil Aerospace IFRS 15 - 2017 Full year estimated changes	47



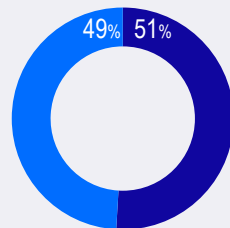
01

The Group

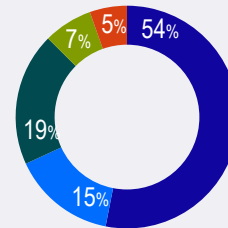


Group 2017 Full Year Results

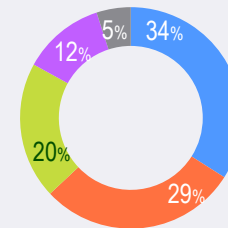
Underlying group revenue
£15.1 billion



■ OE
■ Services

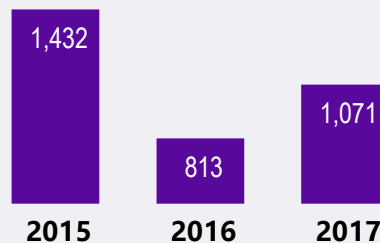


■ Civil
■ Defence
■ Power Systems
■ Marine
■ Nuclear

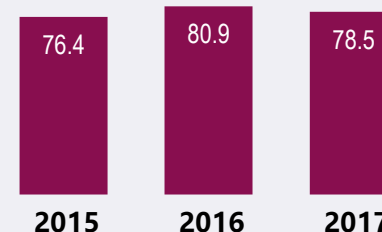


■ Europe
■ North America
■ Middle East and Asia
■ China
■ RoW

Underlying profit before tax (£m)



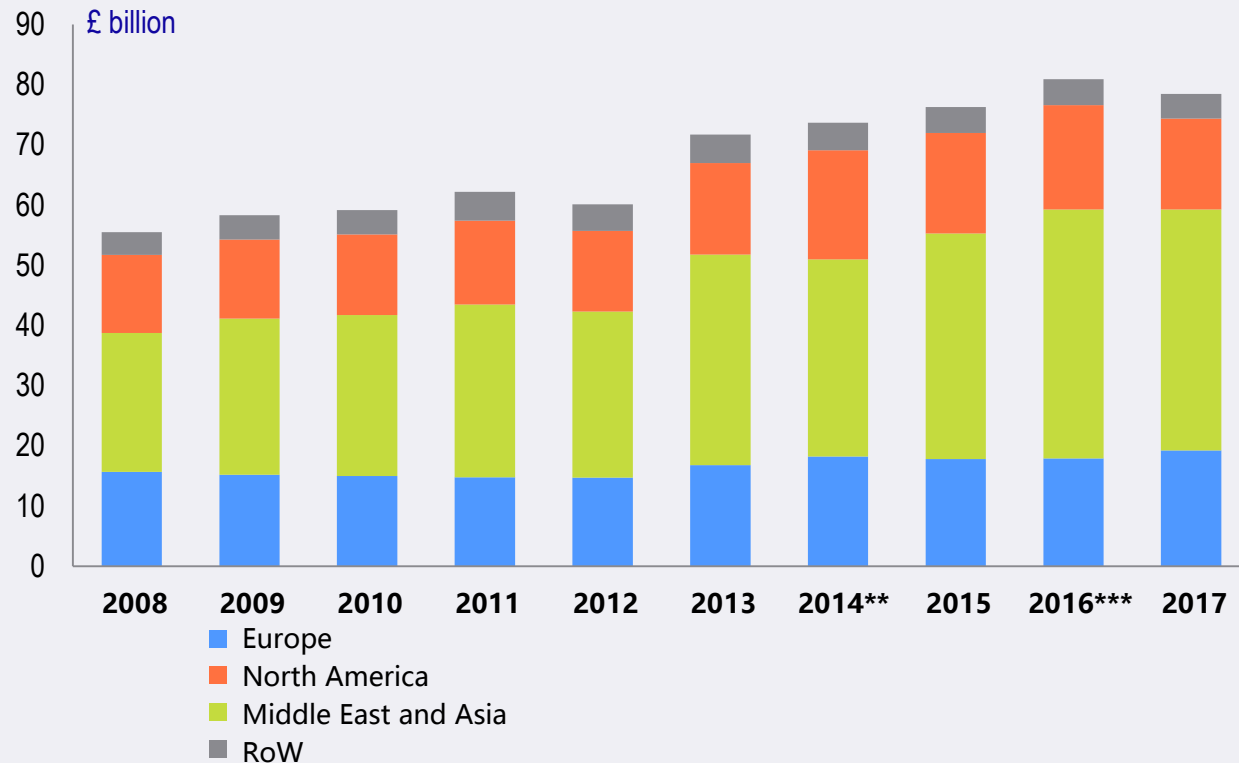
Order book* (£bn)



* Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries and a £(0.4)bn change in the Defence order book



Order book*



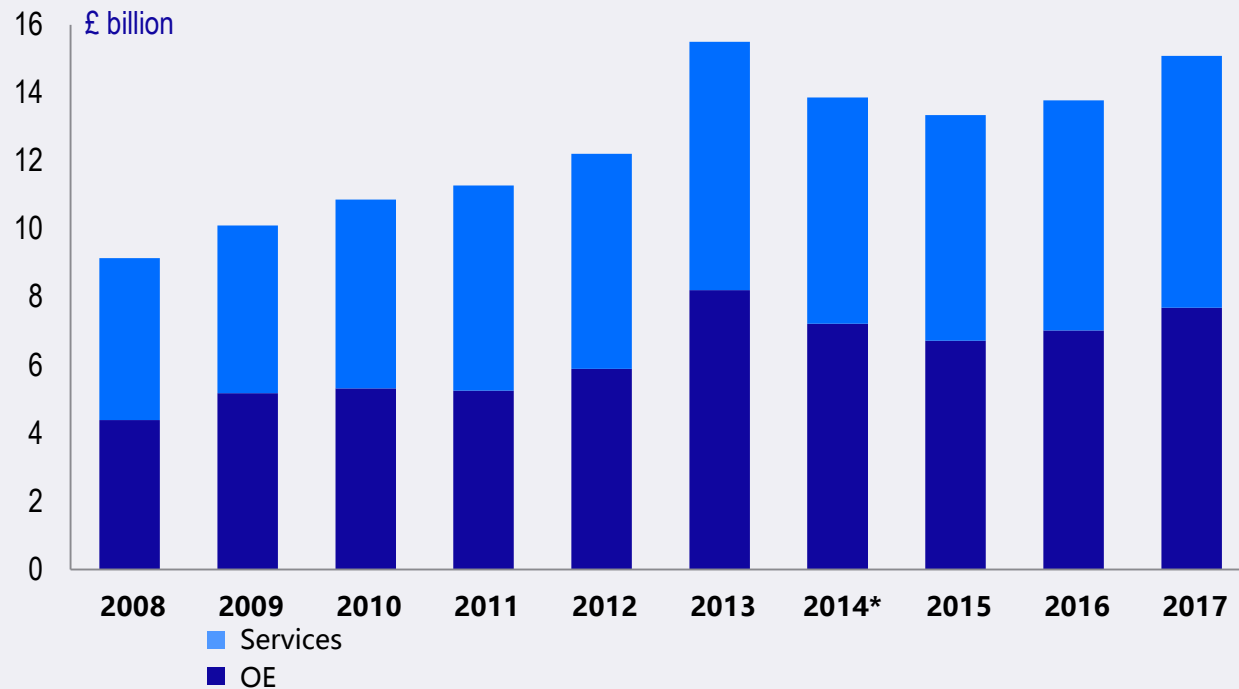
* Firm and announced order book stated on a constant currency basis

** Excludes the Energy business sold to Siemens

*** Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries and a £(0.4)bn change in the Defence order book

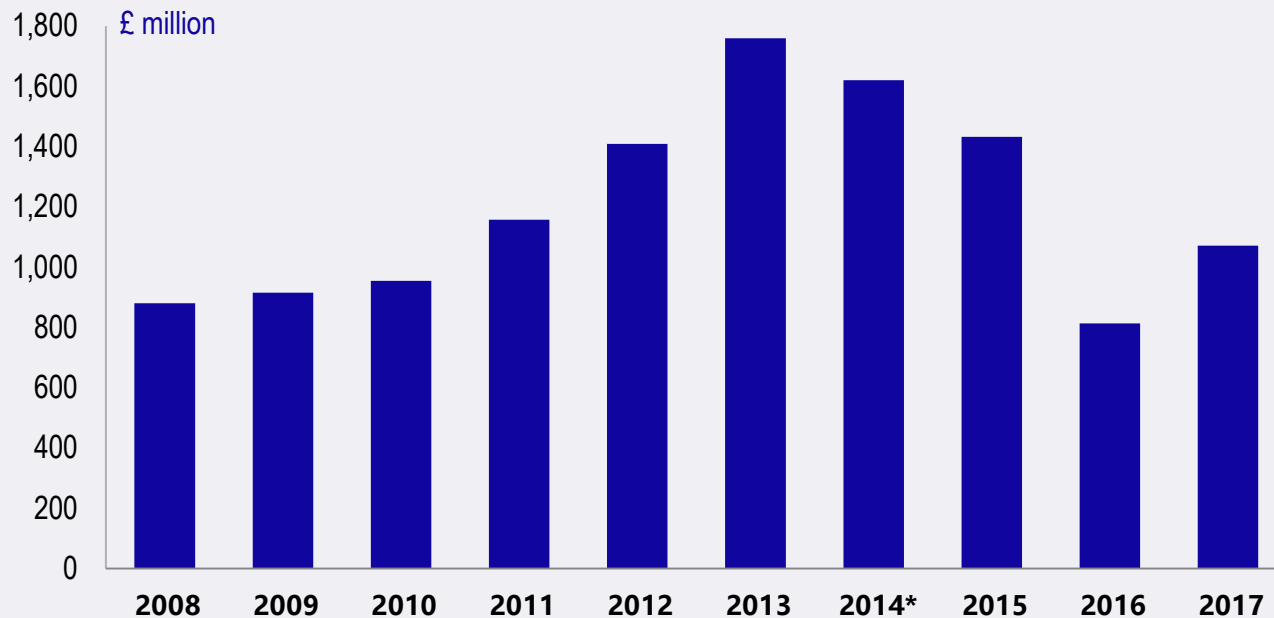


Full year underlying group revenue





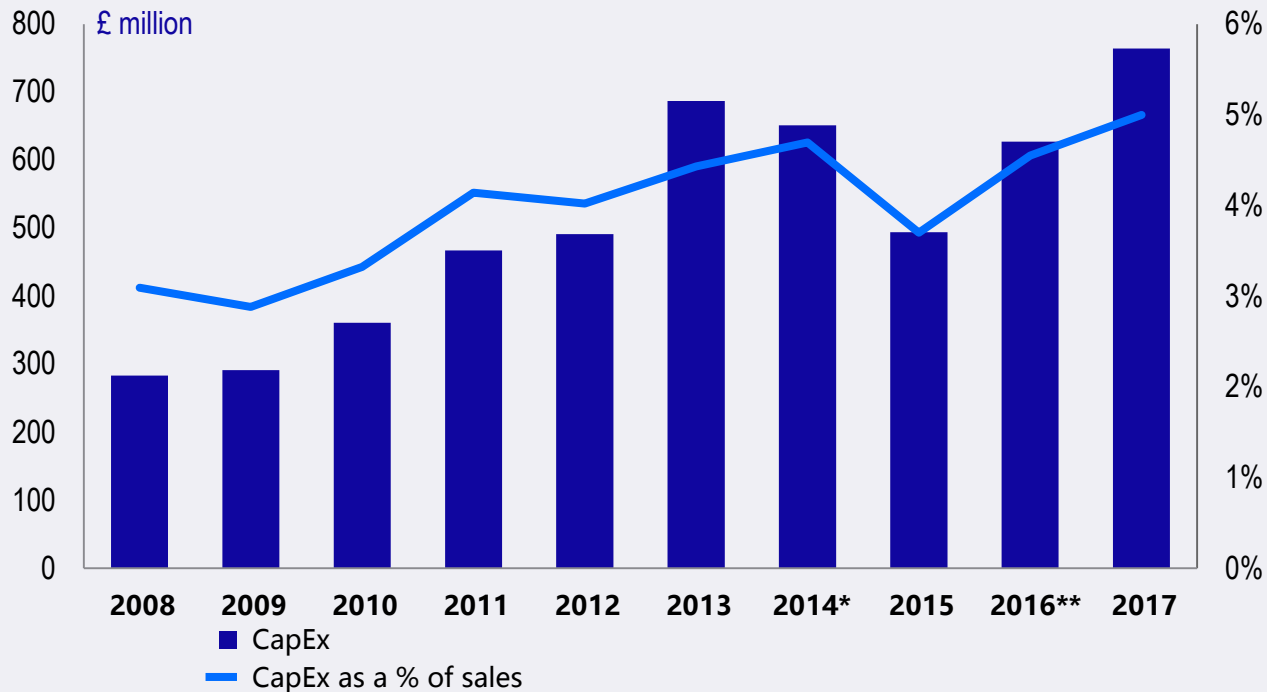
Full year underlying profit before tax





Full year capital expenditure

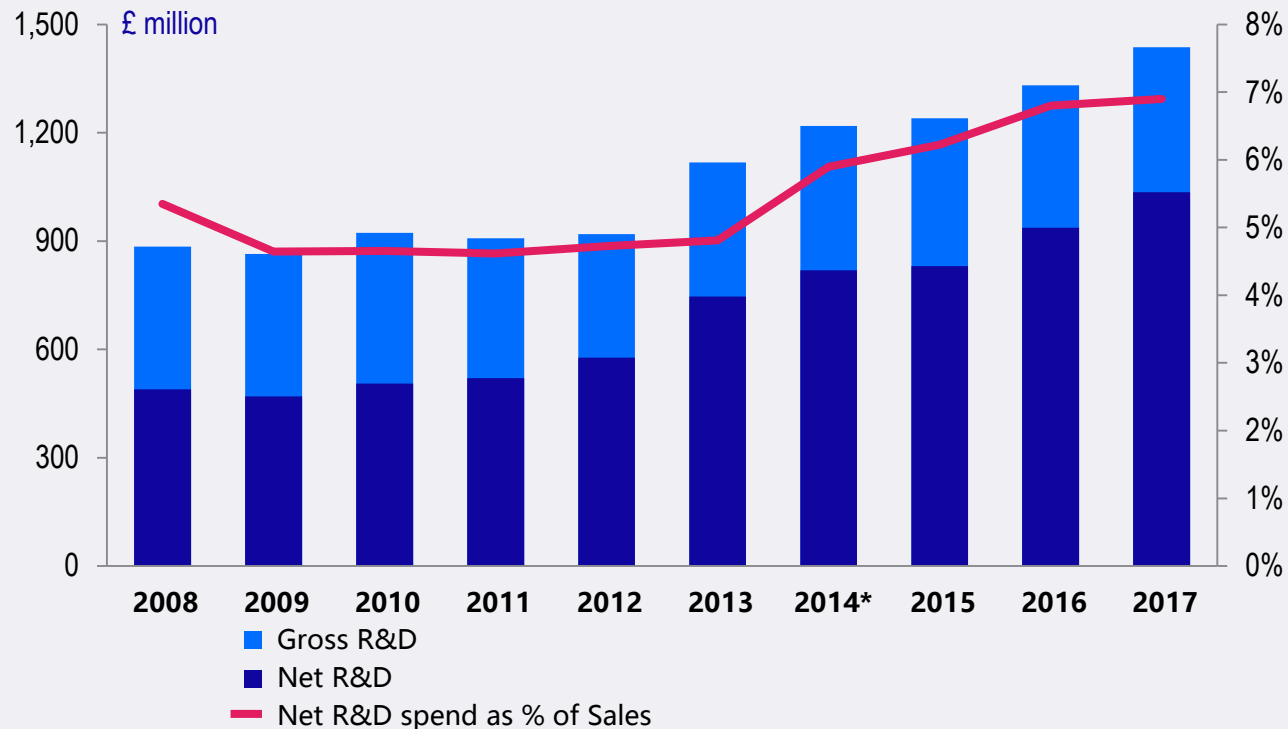
Additions to Property, Plant & Equipment





Full year research & development

Continued investment in future technology



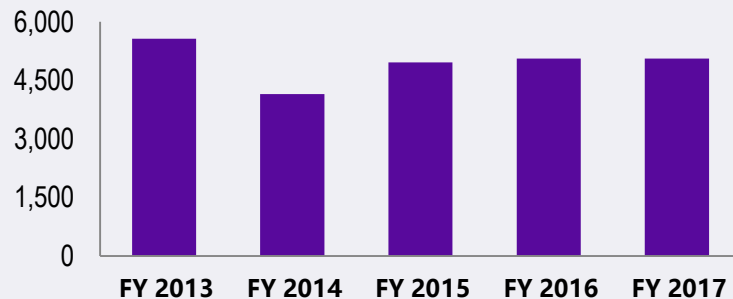


Balance sheet

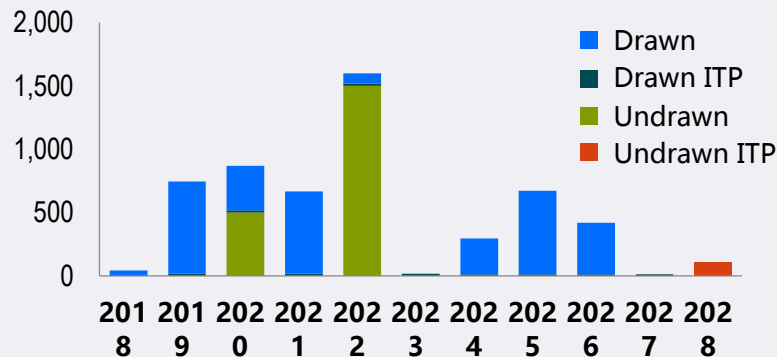
Strong liquidity position

Total liquidity
£5 billion

Total Liquidity (£ million)



Debt Maturities (£ million)



Investment grade credit rating and liquidity provide confidence and flexibility for:

- Customers signing long-term service agreements spanning decades
- Customer and supplier financing
- Investing in opportunities at the right time
- Suppliers and JV partners making long-term investments
- Weathering financial market uncertainties



02

Financials



Historic financials

	INCLUDING ENERGY		EXCLUDING ENERGY			
	FY 2013	FY 2014	FY 2014	FY 2015	FY 2016*	FY 2017
Underlying revenue (£m)	15,505	14,588	13,864	13,354	13,783	15,090
Underlying profit before tax (£m)	1,759	1,617	1,620	1,432	813	1,071
EPS	65.59p	65.31p	65.42p	58.73p	30.13p	40.46p
Free cash flow (£m)	781	254	447	179	100	273
Order intake (£b)	26.9	19.4	19.0	18.2	19.1	17.2
Order book (£b)	71.6	73.7	73.7	76.4	80.9	78.5
Payment to shareholders	22.0p	23.1p	23.1p	16.4p	11.70p	11.70p



Historic revenue by segment

£m	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Civil Aerospace	6,655	6,837	6,933	7,067	8,023
Defence	2,591	2,069	2,035	2,209	2,275
Power Systems	2,831	2,720	2,385	2,655	2,923
Marine	2,527	1,709 ¹	1,324	1,114	1,077
Energy	1,048	724 ²	-	-	-
Nuclear		684	687 ⁴	777	818
Other			96	37	44
Intra-segment	(147)	(155)	(106)	(76)	(70)
Total revenue	15,505	14,588³	13,354	13,783	15,090

Note 1: Marine figures in 2014 do not include Submarines as they were moved to Nuclear

Note 2: The Energy business was sold on 1 December 2014

Note 3: Includes Energy. £13,864m excluding Energy

Note 4: Following the sale of the Energy business, Nuclear is shown as a separate segment



Historic underlying operating profit by segment

£m	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Civil Aerospace	844	942	812	367	520
Defence	438	366	393	384	374
Power Systems	294	253	194	191	330
Marine	281	138*	15	(27)	(25)
Energy	26	(3)**	-	-	-
Nuclear		48	70***	45	38
Other			52	2	(10)
Intra-segment	2	(13)	7	-	3
Central costs	(54)	(53)	(51)	(47)	(55)
Underlying op. profit	1,831	1,678	1,492	915	1,175

* Marine figures in 2014 do not include Submarines as they were moved to Nuclear

** The Energy business was sold on 1 December 2014

*** Following the sale of the Energy business, Nuclear is shown as a separate segment



Underlying income statement

£m	FY 2015	FY 2016	FY 2017
Revenue	13,354	13,783	15,090
Gross profit*	3,182	2,818	2,973
Commercial and administrative costs*	(1,004)	(1,158)	(1,168)
Net R&D charge	(765)	(862)	(737)
Other income & costs	79	117	107
Underlying operating profit	1,492	915	1,175
Net financing charge	(60)	(102)	(104)
Underlying Profit before tax (PBT)	1,432	813	1,071

* Other Income previously report in Cost of Sales has been re-classified to commercial and admin costs aligned to 2017 reporting



Cash flow

£m	FY 2015	FY 2016	FY 2017*
Underlying profit before tax (PBT)	1,432	813	1,071
Depreciation & amortisation	613	720	741
Net working capital	(544)	(55)	532
Capital expenditure & intangibles	(887)	(1,201)	(1,732)
Other	229	47	(164)
Trading cash flow	385	324	448
Pension / tax / other	(206)	(224)	(189)
Free Cash Flow	179	100	259
Shareholder payments	(421)	(301)	(214)
Base cash flow (exc. acquisitions & FX)	(242)	(201)	45



Research & development

	INCLUDING ENERGY		EXCLUDING ENERGY			
£m	FY 2013	FY 2014	FY 2014	FY 2015	FY 2016	FY 2017
Gross R&D	(1,118)	(1,249)	(1,222)	(1,240)	(1,331)	(1,392)
Net R&D	(746)	(844)	(819)	(831)	(937)	(1,035)
<i>Net R&D spend as % of underlying revenues</i>	<i>4.8%</i>	<i>5.8%</i>	<i>5.9%</i>	<i>6.2%</i>	<i>6.8%</i>	<i>6.9%</i>
Capitalised	108	83	83	52	99	342
Amortised	(69)	(65)	(65)	(80)	(85)	(83)
Impairment	-	-	-	-	(2)	-
R&D charged to income statement (before RRSA entry fees)	(707)	(826)	(801)	(859)	(925)	(776)
Net RRSA entry fee impact	83	71	71	94	63	39
R&D charge to Income Statement	(624)	(755)	(730)	(765)	(862)	(737)



Foreign exchange

Rolls-Royce hedges transactional FX

- Transactional exposure arises when revenue currencies differ from cost currencies
- Achieved rate is not typically affected by short-term spot rate movements unless new cover is taken; this impact is usually diluted
- \$38 billion USD:GBP hedge book
- Hedge book average rate is £/\$1.55
- \$3 billion EUR:USD hedge book
- Hedge book average rate is €/\$1.24

Rolls-Royce does not hedge against the impact of translational FX

- Translational exposure varies by source of revenues and profits
- Translational FX impact is driven by period average spot rates
- Translational impact increases as rate reduces

Full year translational impact of 0.01 unit of currency change in period average rates

	Revenue	Profit
USD	~£15 million	~£4 million
EUR	~£37 million	~£5 million
NOK	~£0 million	~£0 million



Foreign exchange

2017 translational impact

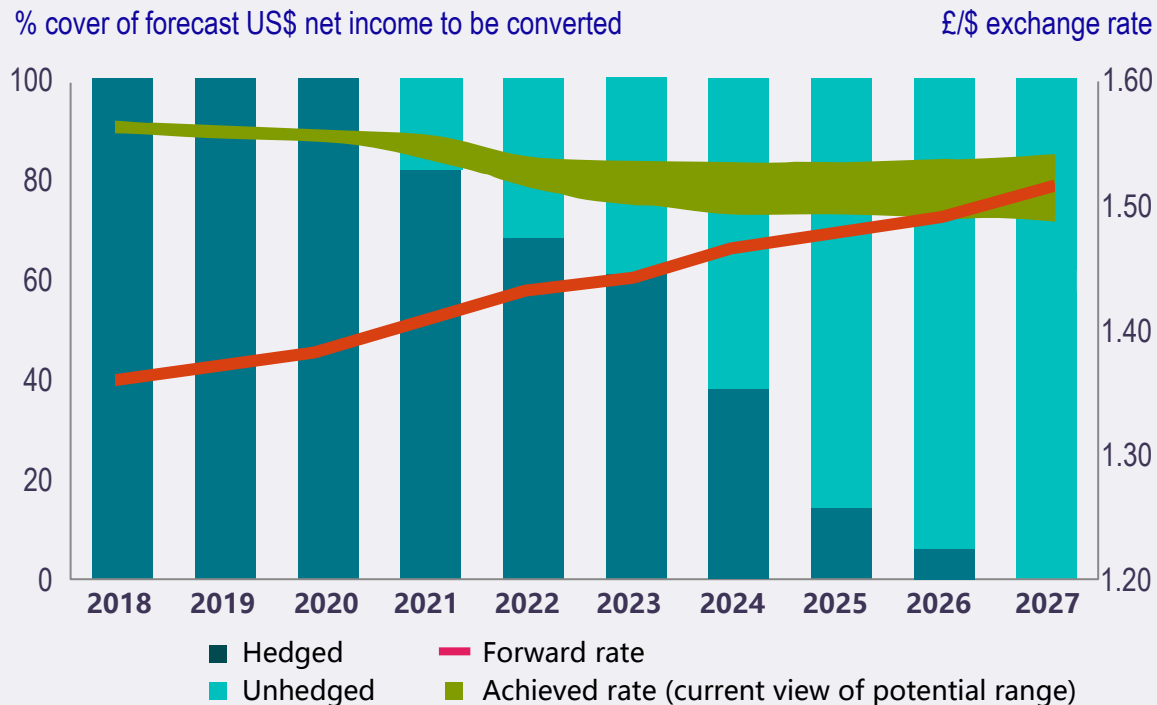
The impact of translational foreign exchange is driven by period average spot rates

2017 vs. 2016 £m (excluding energy)	EXPOSURE		REVENUE IMPACT		PBFCT IMPACT	
	Revenue	Profit	Inc FX	FX	Inc FX	FX
Group*			15,090	439	1,175	62
Civil Aerospace	USD, EUR	USD, EUR	8,023	90	520	27
Defence Aerospace	USD	USD	2,275	83	374	15
Power Systems	EUR	EUR	2,923	198	330	23
Marine	NOK, EUR, USD	EUR, USD	1,077	60	(25)	(2)
Nuclear	EUR, USD	USD	818	11	38	1

Period average rates	2016	2017
USD	1.36	1.29
EUR	1.22	1.14
NOK	11.38	10.65



USD hedge book: looking forward





Reconciliation to reported profit

£m	FY 2016	FY 2017
Underlying profit before tax	813	1,071
Mark-to-market adjustments on derivative contracts	(4,420)	2,672
Realised losses / (gains) on settled derivative contracts	589	648
Goodwill impairment	(219)	(24)
Exceptional restructuring	(129)	(104)
Deferred prosecution agreements	(671)	-
Post-retirement schemes	(303)	1
Acquisition and disposals	-	798
Other adjustments	(296)	(165)
Reported profit/(loss) before tax	(4,636)	4,897



Customer finance

Financial strength allows the Group to provide finance support to customers

Selective and designed to minimise risk:

- Gross and net exposures by counterparty, product type and year are limited by Board guidelines
- Commitments continually monitored with suitable exposure management policies in place
- Exposures audited every six months
- Exposures quantified using independent asset value appraisals

Broadly similar contingent liabilities (as of 31 December 2017)

- Total Discounted Gross Exposure: US\$196m (2016YE: \$293m)
- Total Discounted Net Exposure (less security): US\$72m (2016YE: \$76m)
- Total Discounted Net Stressed Exposure (assumes 20% asset discount): US\$86m (2016YE: \$106m)
- Liabilities are spread across multiple geographies, customers and aircraft



Pensions

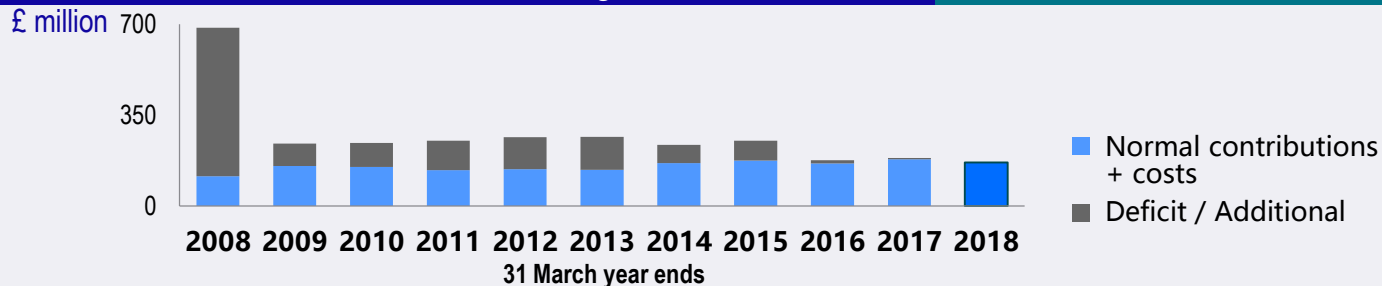
UK plan continues to have a material surplus of £2.1bn

UK plan

- 84% of gross liabilities and 95% of gross assets
- £13.6bn of assets and surplus of £2.1bn. £772m increase in surplus is primarily the result of plan assets outperforming liabilities measured on an IAS19* basis (£265m), and updates to demographic and financial assumptions (£477m).
- 91% of assets in low risk investments to match liabilities, this has been key to protecting our funding position in low yield environment
- Closed to new hires since 2007
- Statutory funding valuation completed as at 31 March 2017 confirmed a material surplus (112%). No deficit funding is required and the Trustee has agreed to use a proportion of surplus to reduce future service cost from 2018 to 2020
- Expected contributions in respect of 2018: £145m (2017: £174m) - includes c£30m financed by employees under salary sacrifice arrangements. A major reduction in the historical level of UK contributions which included deficit funding

Overseas plans

- 16% of gross liabilities and 5% of gross assets
- Deficit of £1,370m (IAS19 basis) principally made up of
 - unfunded US healthcare/pension plans (£459m) and
 - German unfunded pension plans (£790m)
- 2017 contributions of £75m (2016 £86m)



*IAS19 reporting basis discounts liabilities using a AA bond rate – while this is the required reporting method it does not match the method used to manage and fund the UK plan - which discounts liabilities using a curve to aligned to its Liability Driven Investments (gilt based). This significantly reduces the real funding volatility relevant for cash funding purposes rather than that shown by the IAS19 valuations



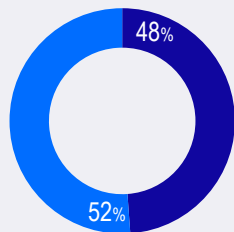
03

Civil Aerospace

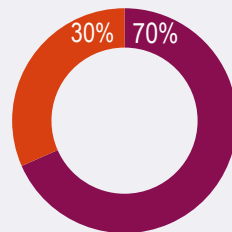


Civil Aerospace

Revenue
£8,023m

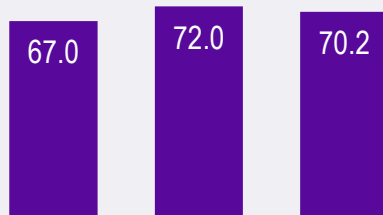


■ OE
■ Services



■ Large Engines
■ Small & Medium Engines

Order book (£bn*)

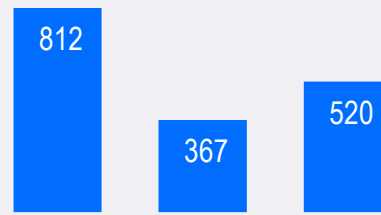


2015

2016

2017

Profit before financing (£m)



2015

2016

2017

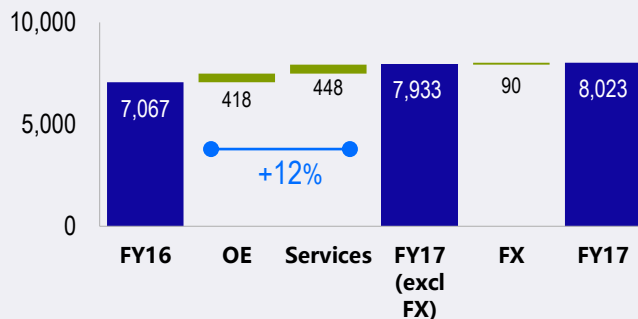
* Firm and announced order book stated on a constant currency basis. Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries



Civil revenue, profit and gross margin

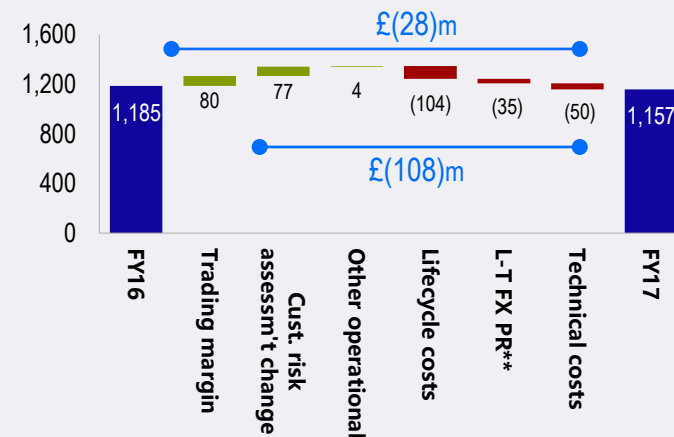
Revenue

£ million



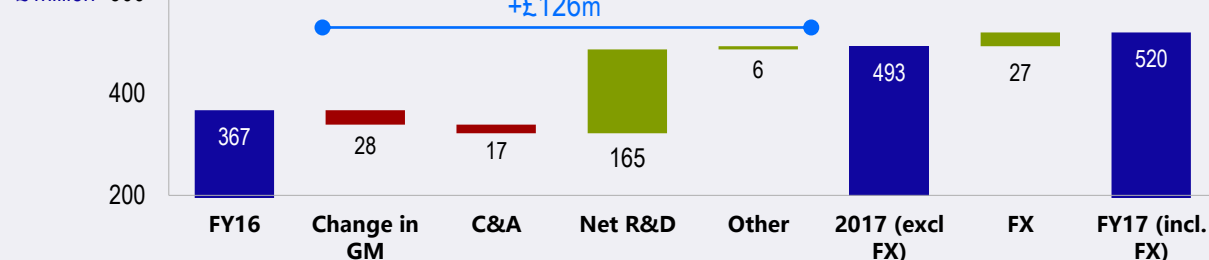
Underlying gross profit

£ million



Profit

£ million





Civil underlying revenue

£m	2016	% of whole	Underlying change	Underlying change %	Foreign exchange	% of whole	2017
OE	3,357	48%	418	+12%	43	48%	3,818
Large engine: linked and other	1,604	23%	289	+18%	2	24%	1,895
Large engine: unlinked installed	742	10%	360	+49%	1	14%	1,103
Business aviation	757	11%	(198)	-26%	39	7%	598
V2500	254	4%	(33)	-13%	1	3%	222
AM	3,710	52%	448	+12%	47	52%	4,205
Large engine	2,289	32%	335	+15%	2	33%	2,626
Business aviation	452	6%	46	+10%	29	7%	527
Regional	342	5%	(16)	-5%	17	4%	343
V2500	627	9%	83	+13%	(1)	9%	709



Trent engine products

Leading widebody market share

£m	Airframe	Market share*	Engines in service	Engines on order**
Trent 7000	Airbus A330neo	100%	0	440
Trent XWB	Airbus A350	100%	278	1424
Trent 1000	Boeing 787	38%	476	366
Trent 900	Airbus A380	54%	360	244
Trent 800	Boeing 777	40%	330	0
Trent 700	Airbus A330	60%	1,590	74
Trent 500	Airbus A340	100%	280	0
			3,314	2,548

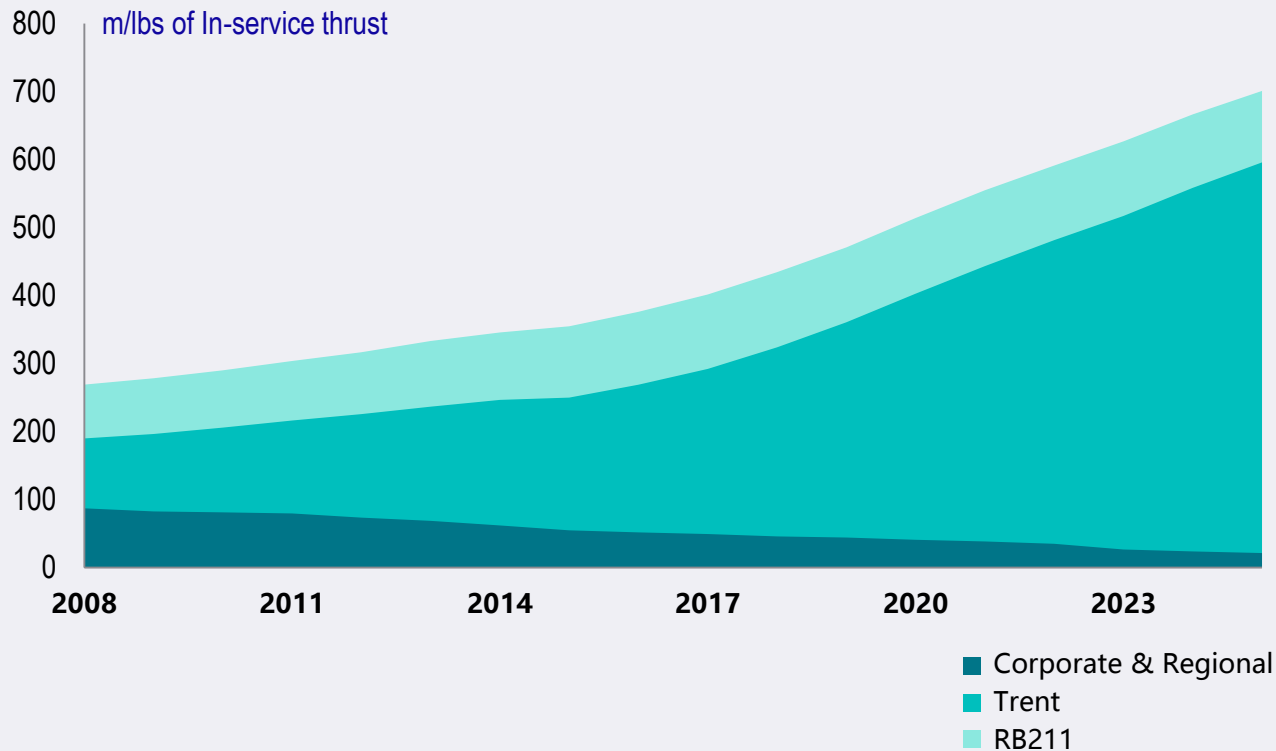
* Share of total firm programme sales with an engine decision (excludes cancelled orders)

** According to Ascend



In-service thrust

Growing market opportunities





Civil engine deliveries

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
By engine																
RB211 22B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RB211 524	4	2	5	7	0	5	4	0	0	0	0	0	0	0	0	0
RB211 535	26	14	6	0	2	0	1	1	0	0	0	0	0	0	0	0
RB211 Total	30	16	11	7	2	5	5	1	0	0	0	0	0	0	0	0
Trent 500	37	88	115	88	97	45	45	57	16	1	8	0	0	0	0	0
Trent 700	30	35	30	54	59	75	88	125	139	135	157	181	184	140	88	110
Trent 800	54	30	15	21	25	10	7	9	0	0	0	0	0	0	0	0
Trent 900					20	10	48	33	30	70	64	42	35	6	30	67
Trent 1000									0	18	46	59	79	106	122	109
Trent XWB-84													13	56	117	196
Trent XWB-97																1
Trent	121	153	160	163	201	140	188	224	185	224	275	282	311	308	357	483
Civil Large Engines	151	169	171	170	203	145	193	225	185	224	275	282	311	308	357	483
Tay	66	48	43	55	66	80	92	68	51	57	60	67	46	38	28	2
AE3007	288	217	242	168	113	135	135	32	55	31	43	78	48	34	20	8
BR700	127	96	131	161	155	183	216	172	184	232	290	326	334	332	244	190
Civil Small Engines	481	361	416	384	334	398	443	272	290	320	393	471	428	404	292	200
V2500*	224	216	237	327	319	308	351	347	371	418	220	0	0	0	0	0
Civil Total	856	746	824	881	856	851	987	844	846	962	888	753	739	712	649	683

* V2500 deliveries are recorded until the sale of Rolls-Royce's stake in International Aero Engines on 29th June 2012



Civil engine In-service Installed fleet**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
By engine																
RB211 22B	48	48	36	36	12	15	9	12	9	6	6	3	3	3	3	3
RB211 524	794	829	815	796	791	769	706	643	638	617	530	455	352	302	278	266
RB211 535	1,108	1,154	1,192	1,168	1,174	1,158	1,102	1,078	1,056	1,052	1,028	1,026	1,012	908	868	826
RB211 Total	1,950	2,031	2,043	2,000	1,977	1,942	1,817	1,733	1,703	1,675	1,564	1,484	1,367	1,213	1,149	1,095
Trent 500	32	120	212	292	380	412	432	464	492	480	452	440	388	352	336	280
Trent 700	206	234	264	306	364	422	492	590	696	816	948	1,114	1,288	1,388	1,460	1,590
Trent 800	344	376	392	406	430	444	442	448	450	444	446	436	422	362	352	330
Trent 900	0	0	0	0	0	4	36	60	80	140	208	244	280	304	332	360
Trent 1000	0	0	0	0	0	0	0	0	0	6	44	84	164	260	384	476
Trent XWB-84	0	0	0	0	0	0	0	0	0	0	0	0	2	30	124	278
Trent XWB-97	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trent	582	730	868	1,004	1,174	1,282	1,402	1,562	1,718	1,886	2,098	2,318	2,544	2,696	2,988	3,314
Civil Large Engines	2,532	2,761	2,911	3,004	3,151	3,224	3,219	3,295	3,421	3,561	3,662	3,802	3,911	3,909	4,137	4,409
Spey	1,122	1,090	1,024	992	946	914	864	802	760	702	632	580	506	460	430	404
Tay	1,570	1,599	1,572	1,623	1,755	1,769	1,825	1,861	1,869	1,917	1,969	2,019	2,011	2,035	2,027	1,993
AE3007	1,702	1,934	2,164	2,328	2,458	2,564	2,520	2,528	2,562	2,550	2,544	2,598	2,534	2,468	2,326	2,302
BR700	704	864	990	1,144	1,272	1,446	1,560	1,752	1,910	2,128	2,362	2,696	2,964	3,388	3,642	3,858
Civil Small Engines	5,098	5,487	5,750	6,087	6,431	6,693	6,769	6,943	7,101	7,297	7,507	7,893	8,016	8,351	8,425	8,557
V2500*	855	930	1,054	1,196	1,348	1,492	1,613	1,722	1,852	2,002	0	0	0	0	0	0
Civil Total	8,485	9,178	9,715	10,287	10,930	11,409	11,601	11,960	12,374	12,860	11,169	11,695	11,926	12,260	12,562	12,966



Civil In-service thrust base (millions lbs)**

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
By engine	Thrust per Engine (lbs)																
RB211 22B	60,000	3	3	2	2	1	1	1	1	1	0	0	0	0	0	0	0
RB211 524	60,000	48	50	49	48	47	46	42	39	38	37	32	27	21	18	17	16
RB211 535	40,000	44	46	48	47	47	46	44	43	42	42	41	41	40	36	35	33
RB211 Total		95	99	99	97	95	93	87	82	81	79	73	69	62	55	52	49
Trent 500	56,000	2	7	12	16	21	23	24	26	28	27	25	25	22	20	19	16
Trent 700	72,000	15	17	19	22	26	30	35	42	50	59	68	80	93	100	105	114
Trent 800	92,000	32	35	36	37	40	41	41	41	41	41	41	40	39	33	32	30
Trent 900	70,000	0	0	0	0	0	0	3	4	6	10	15	17	20	21	23	25
Trent 1000	71,000	0	0	0	0	0	0	0	0	0	0	3	6	12	18	27	34
Trent XWB-84	84,000	0	0	0	0	0	0	0	0	0	0	0	0	0	3	10	23
Trent XWB-97	97,000															0	0
Trent		48	58	67	76	87	95	103	114	125	137	152	168	185	196	217	243
Civil Large Engines		143	157	166	172	182	188	190	196	206	216	226	237	247	251	269	292
Spey	11,000	12	12	11	11	10	10	10	9	8	8	7	6	6	5	5	4
Tay	15,000	24	24	24	24	26	27	27	28	28	29	30	30	30	31	30	30
AE3007	7,500	13	15	16	17	18	19	19	19	19	19	19	19	19	19	17	17
BR700	15,000	11	13	15	17	19	22	23	26	29	32	35	40	44	51	55	58
Civil Small Engines		59	63	66	70	74	78	79	82	84	88	91	97	99	105	107	109
V2500*	27,500	24	26	29	33	37	41	44	47	51	55	0	0	0	0	0	0
Civil Total		226	246	261	275	294	306	313	326	341	359	317	333	346	356	376	402
Fleet Growth			9%	6%	6%	7%	4%	2%	4%	5%	5%	-12%	5%	4%	3%	6%	7%

* 50% of the total V2500 fleet included

** Installed engine base is net of retirements and excludes aircraft which are parked or in storage



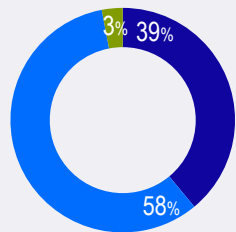
03

Defence Aerospace

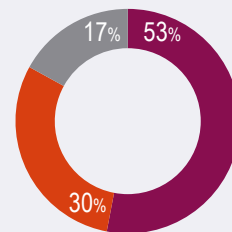


Defence Aerospace

Revenue
£2,275m

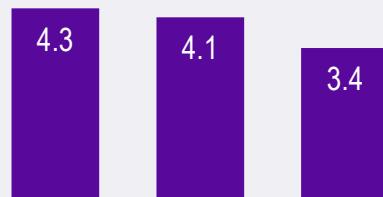


■ OE ■ Development
■ Services



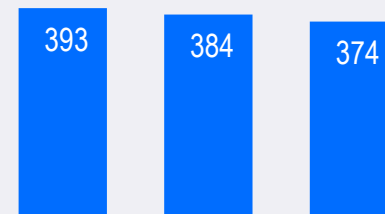
■ Transport ■ Other
■ Combat

Order book (£bn*)



2015 2016 2017*

Profit before financing (£m)



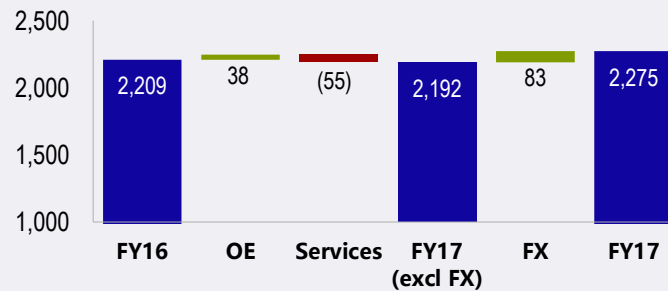
2015 2016 2017



Defence revenue, profit and gross margin

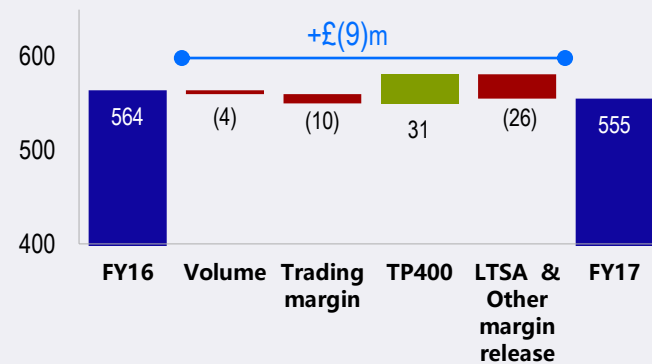
Revenue

£ million



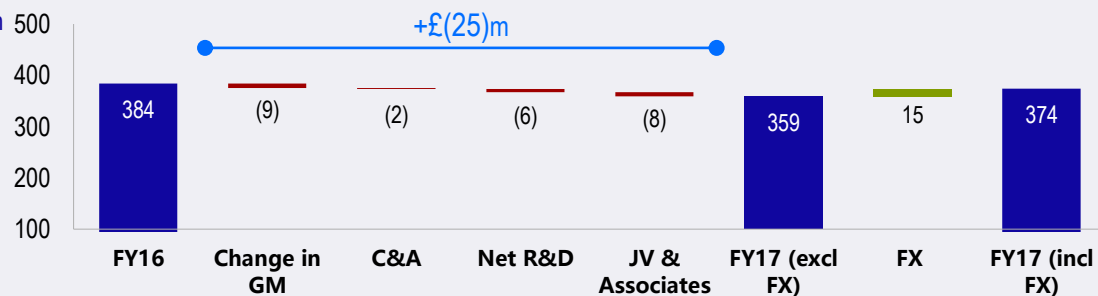
Underlying gross profit

£ million



Profit

£ million





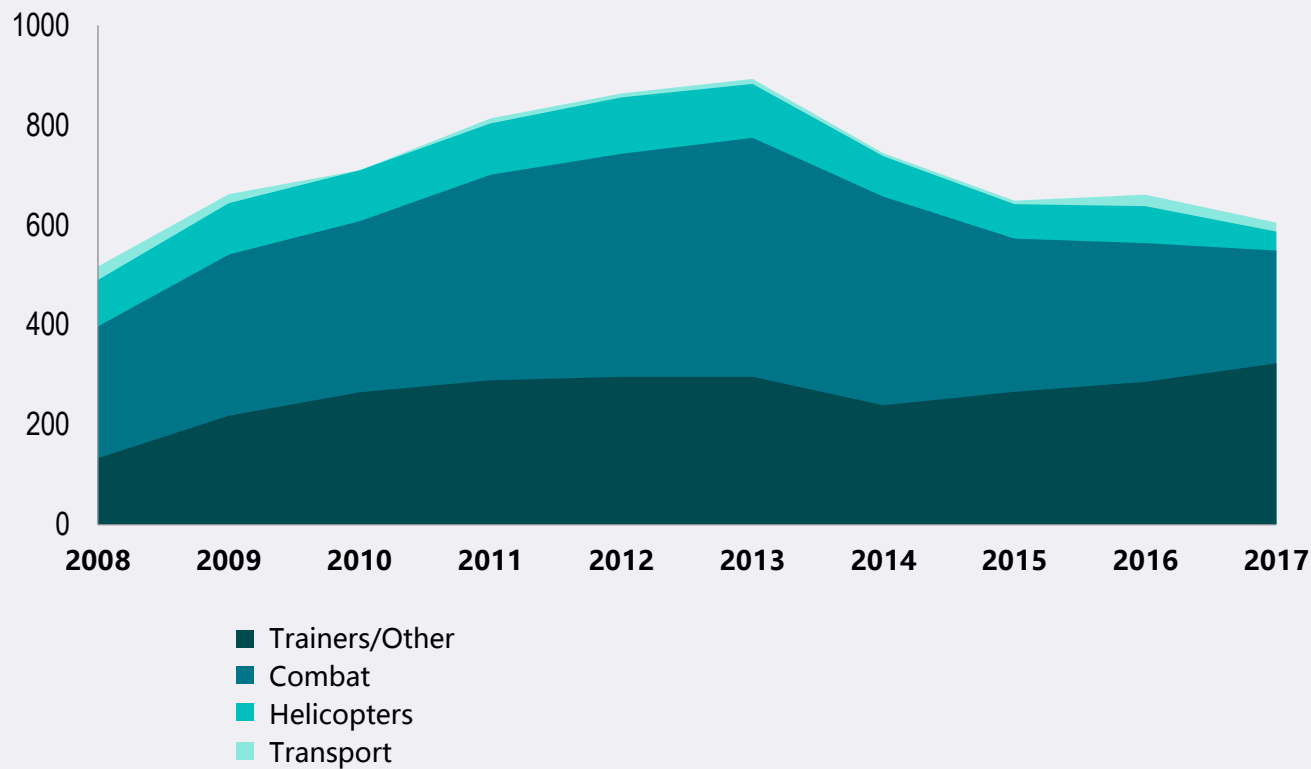
Defence engine deliveries 2008-2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Transport	133	218	265	289	305	296	239	266	286	323
Helicopters	264	323	343	412	438	479	418	307	278	226
Combat	93	103	102	103	113	108	81	69	74	38
Trainers/Other	27	18	0	10	8	10	6	7	23	18
Total	517	662	710	814	864	893	744	649	661	605

The decrease in Combat in 2017 was mainly for completion of EJ200 orders for Saudi in 2016 and Oman in Q1 2017. Transport growth for AE2100, MRTT and TP400.



Defence engine deliveries 2008-2017





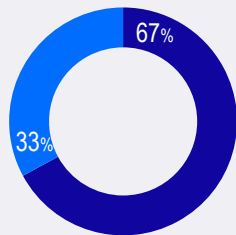
04

Power Systems

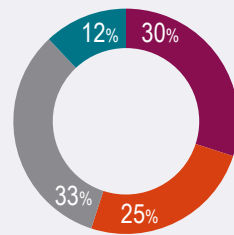


Power Systems

Revenue
£2,923m

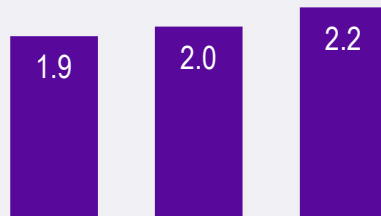


■ OE
■ Services



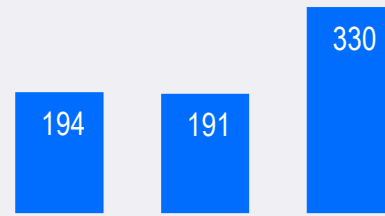
■ Marine ■ Energy
■ Industrial ■ Defence/Other

Order book (£bn*)



2015 2016 2017

Profit before financing (£m)



2015 2016 2017

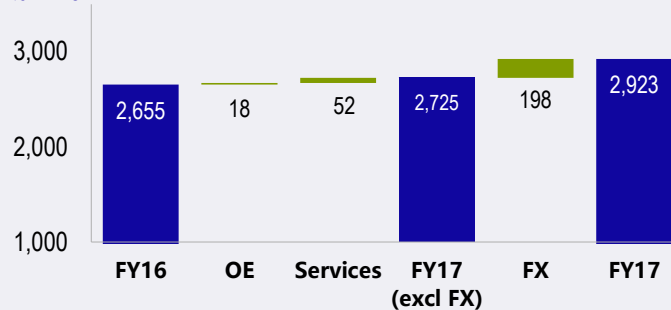
* Firm and announced order book stated on a constant currency basis. Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries



Power Systems revenue, profit and gross margin

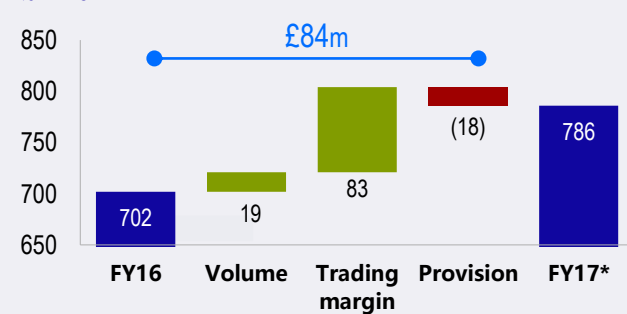
Revenue

£ million



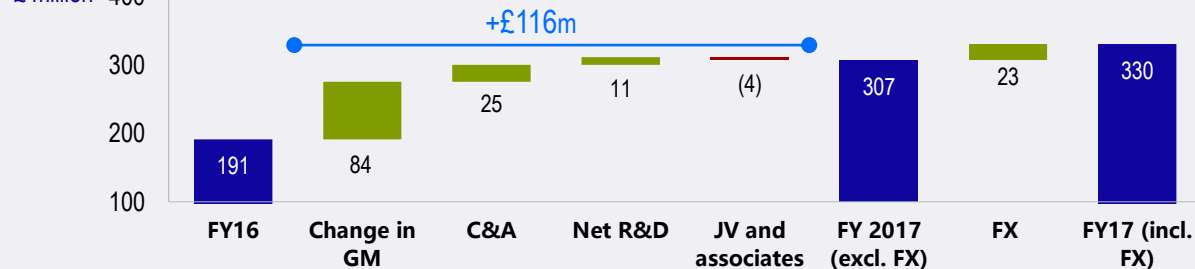
Underlying gross profit

£ million



Profit

£ million





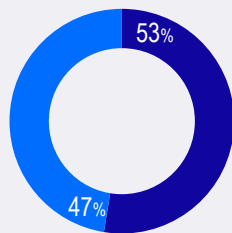
05

Marine

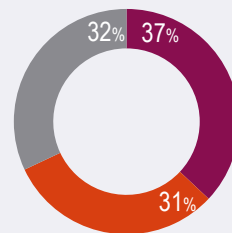


Marine

Revenue
£1,077m

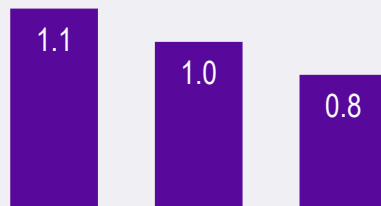


■ OE
■ Services



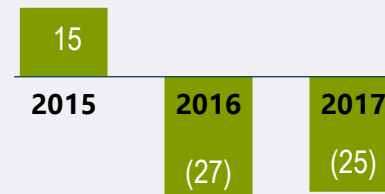
■ Offshore ■ Merchant
■ Naval

Order book (£bn*)



2015 2016 2017

Profit before financing (£m)



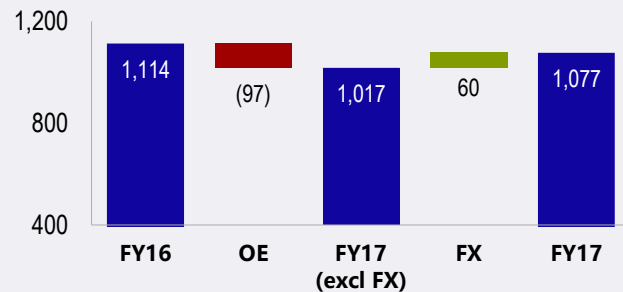
2015 2016 2017



Marine revenue, profit and gross margin

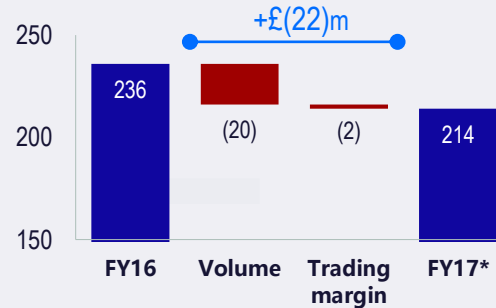
Revenue

£ million



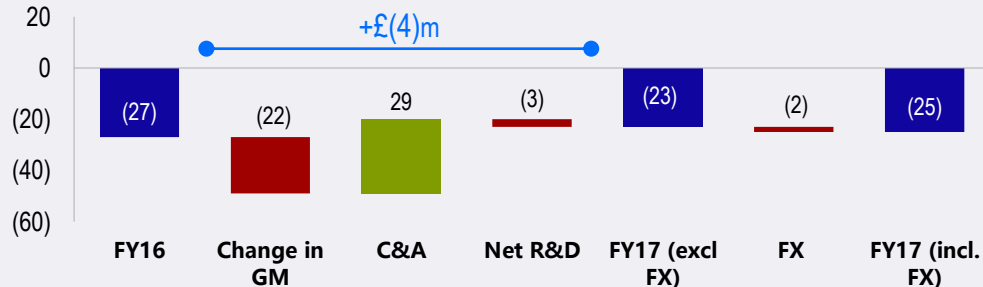
Underlying gross profit

£ million



Profit

£ million





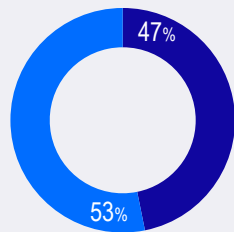
06

Nuclear

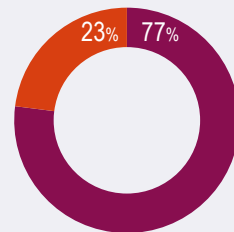


Nuclear

Revenue
£818m

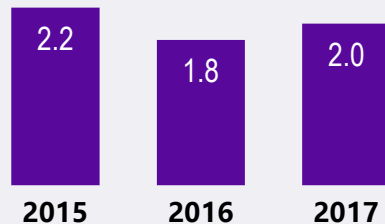


■ OE
■ Services

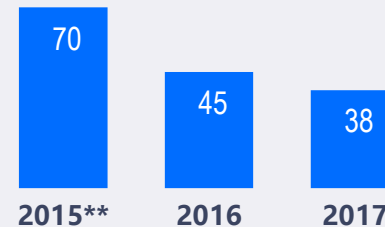


■ Submarines
■ Civil Nuclear/Other

Order book (£bn*)



Profit before financing (£m)



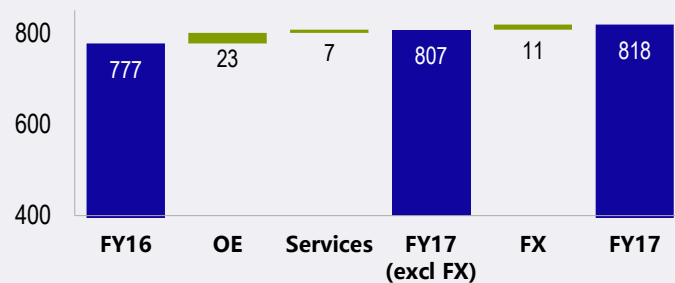
* Firm and announced order book stated on a constant currency basis. Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries

* Includes £19m R&D credit

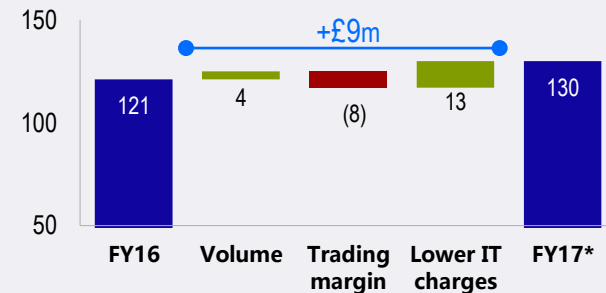


Nuclear revenue, profit and gross margin

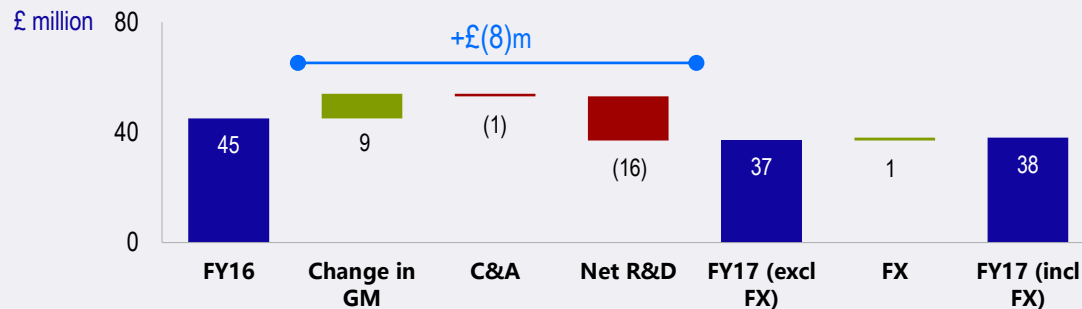
Revenue
£ million



Underlying gross profit
£ million



Profit
£ million



07

Civil Aerospace

IFRS 15 - 2017 full year estimated changes



Impact of adopting IFRS 15 – 2017 Civil Aerospace OE

No change to cash flows from any of the revenue and profit changes

Underlying Revenue

No profit on linked OE sale
£(194)m

Total OE deficit £(704)m includes:
No capitalisation of linked engine cash deficit

£(418)m

No CARs on unlinked contracts
£(286)m

Treatment of guarantees and penalties
£(13)m

Treatment of participation fees
£(22)m

Other timing differences
£20m

£(913)m

Underlying Profit

No profit on linked OE sales
£(194)m

Total OE deficit £(704)m includes:
No capitalisation of linked engine cash deficit

£(418)m

No CARs on unlinked contracts
£(286)m

Treatment of guarantees and penalties
£5m

No amortisation of CARs
£57m

RRSP participation fees
£23m

Other timing differences
£(14)m

£(827)m

Note: All adjustments shown pre-tax effects

These estimated figures are preliminary and, as processes and procedures are further embedded during 2018, it is possible that some changes to the impact may result



Impact of adopting IFRS 15 – 2017 Civil Aerospace Services

No change to cash flows from any of the revenue and profit changes

Underlying Revenue

No amortisation of prior years concession deferral
£353m

Contract accounting adjustments difference
£(341)m

Large engine cost incurred vs engine flying hour impact
£(344)m

CorporateCare® and regional cost incurred vs engine flying hour impact
£(165)m

£(497)m

Underlying Profit

No amortisation of prior years concession deferral
£353m

Contract accounting adjustments difference
£(131)m

Large engine cost incurred vs engine flying hour impact
£(127)m

CorporateCare® and regional cost incurred vs engine flying hour impact
£(118)m

£(23)m



Impact of adopting IFRS 15 – 2017 Civil Aerospace Balance Sheet

£bn	Current GAAP	IFRS 15	Change
Contractual Aftermarket Rights	0.8	-	(0.8)
Participation Fees – Intangible Asset	0.4	-	(0.4)
Participation Fees – Contract Asset	-	0.4	0.4
Net Contract Debtor/(Creditor)	2.5	(2.7)	(5.2)
Other	(0.6)	(0.3)	0.3
Risk and revenue sharing partner participation fees	(0.3)	(0.8)	(0.5)
Total reserves impacted (pre-tax)	2.8	(3.4)	(6.2)
Tax			1.1
Total reserves impact (post tax)			(5.1)

These estimated figures are preliminary and, as processes and procedures are further embedded during 2018, it is possible that some changes to the impact may result



Contacts

Jennifer Ramsey

Head of Investor Relations

Tel: +44(0)207 227 9087

Jennifer.Ramsey@rolls-royce.com

Helen Harman

Assistant Director, Investor Relations

Tel: +44(0)207 227 9339

helen.j.harman@rolls-royce.com

Ross Hawley

Assistant Director, Investor Relations

Tel: +44(0)207 227 9282

ross.hawley@rolls-royce.com

Richard Foster

Manager, Investor Relations

Tel: +44(0)207 227 9141

richard.foster2@rolls-royce.com

Elena Prentice

Programme Coordinator, Investor Relations

Tel: +44(0)207 227 9237

elena.prentice@rolls-royce.com

For more information: www.rolls-royce.com/investors



Safe harbour statement

This announcement contains certain forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing to the Company, anticipated cost savings or synergies and the completion of the Company's strategic transactions, are forward-looking statements. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The forward-looking statements reflect the knowledge and information available at the date of preparation of this announcement, and will not be updated during the year. Nothing in this announcement should be construed as a profit forecast. All figures are on an underlying basis unless otherwise stated - see note 2 of the 2017 full year results statement for the definition.