



Rolls-Royce

2017 Half Year Results

Data Appendix

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The Group



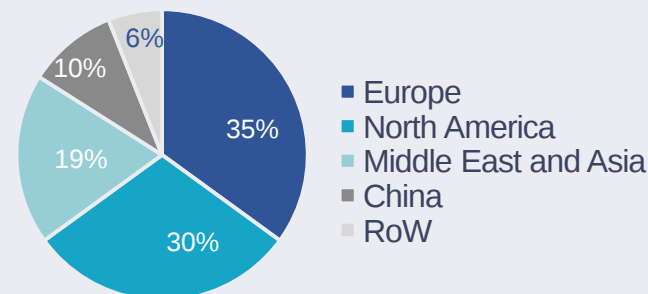
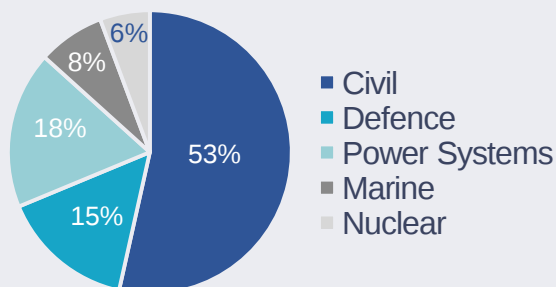
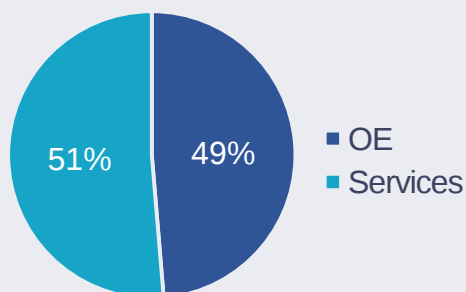
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Group 2017 half year results



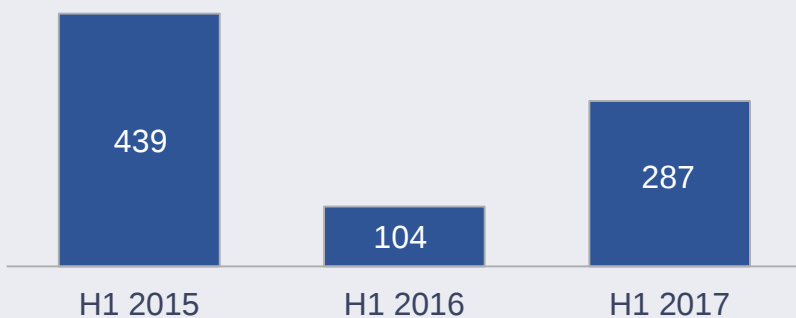
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Underlying group revenue £6.9 billion

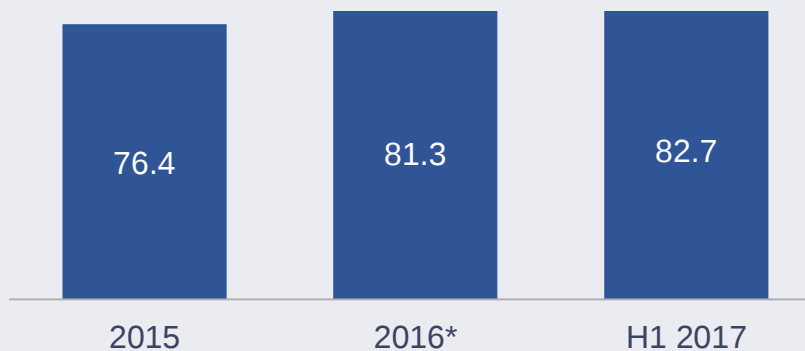


* By geography refers to FY16

Underlying profit before tax £287 million



Order book £82.7 billion

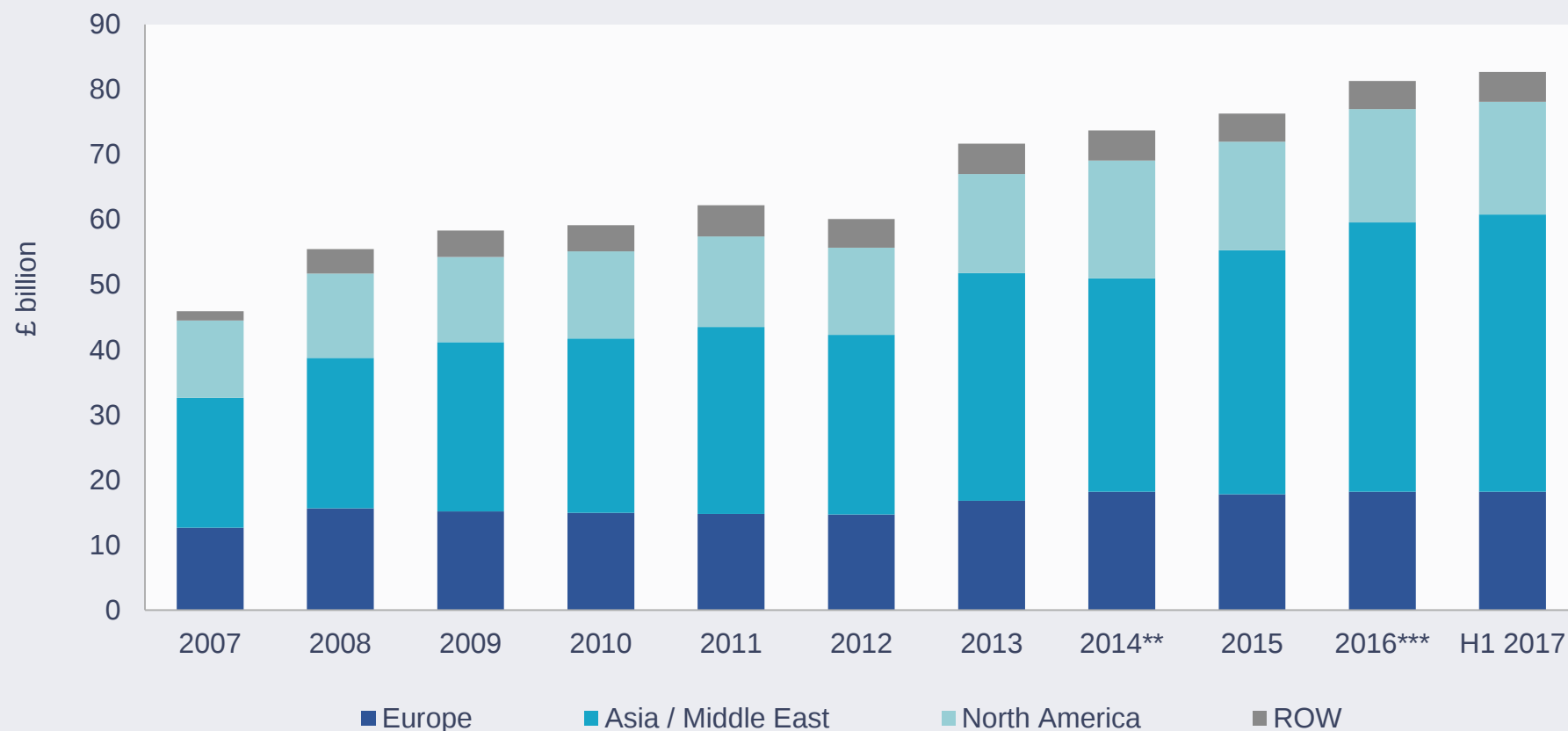


*Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries

Order book*



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

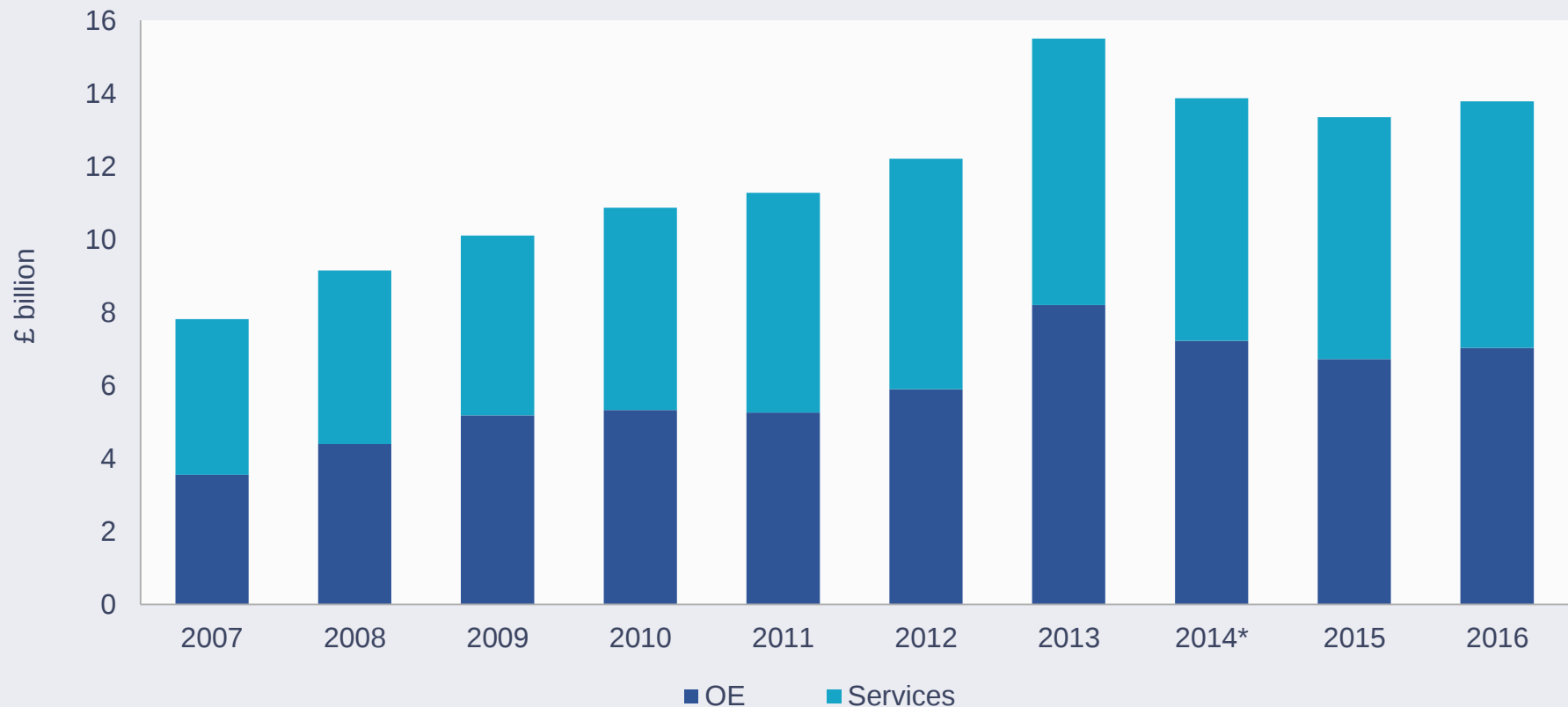
**Excludes the Energy business sold to Siemens

***Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries

Full year underlying group revenue



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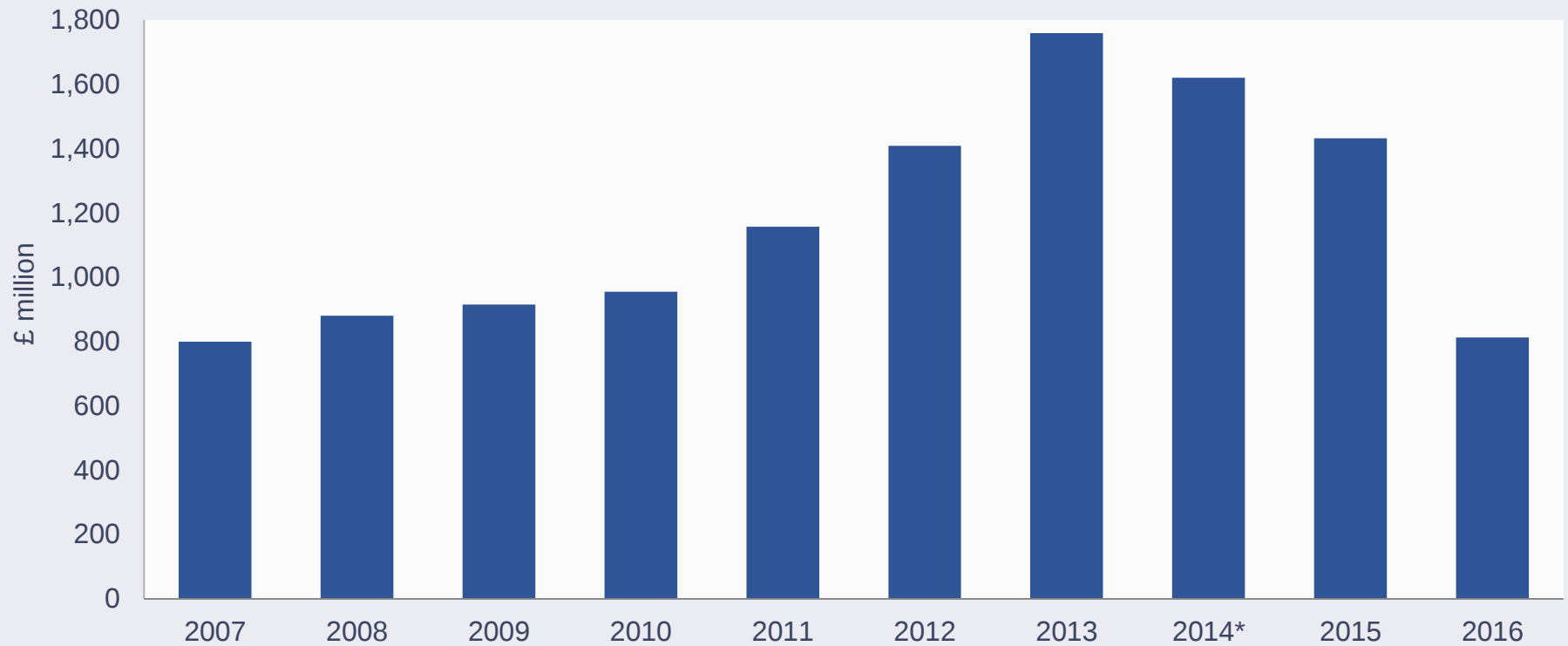


*Excludes the Energy business sold to Siemens

Full year underlying profit before tax



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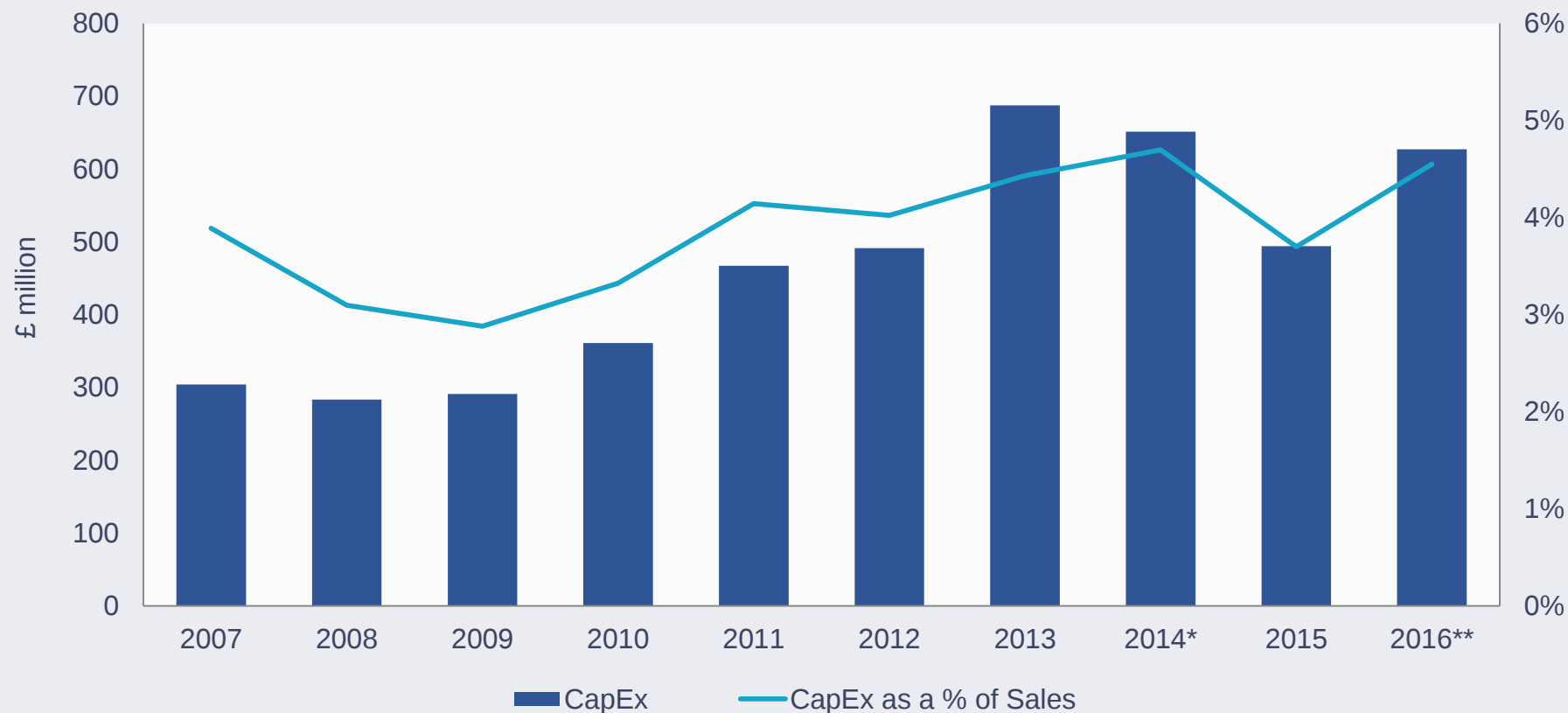
*Excludes the Energy business sold to Siemens

Full year capital expenditure



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Additions to Property, Plant & Equipment



*Excludes the Energy business sold to Siemens

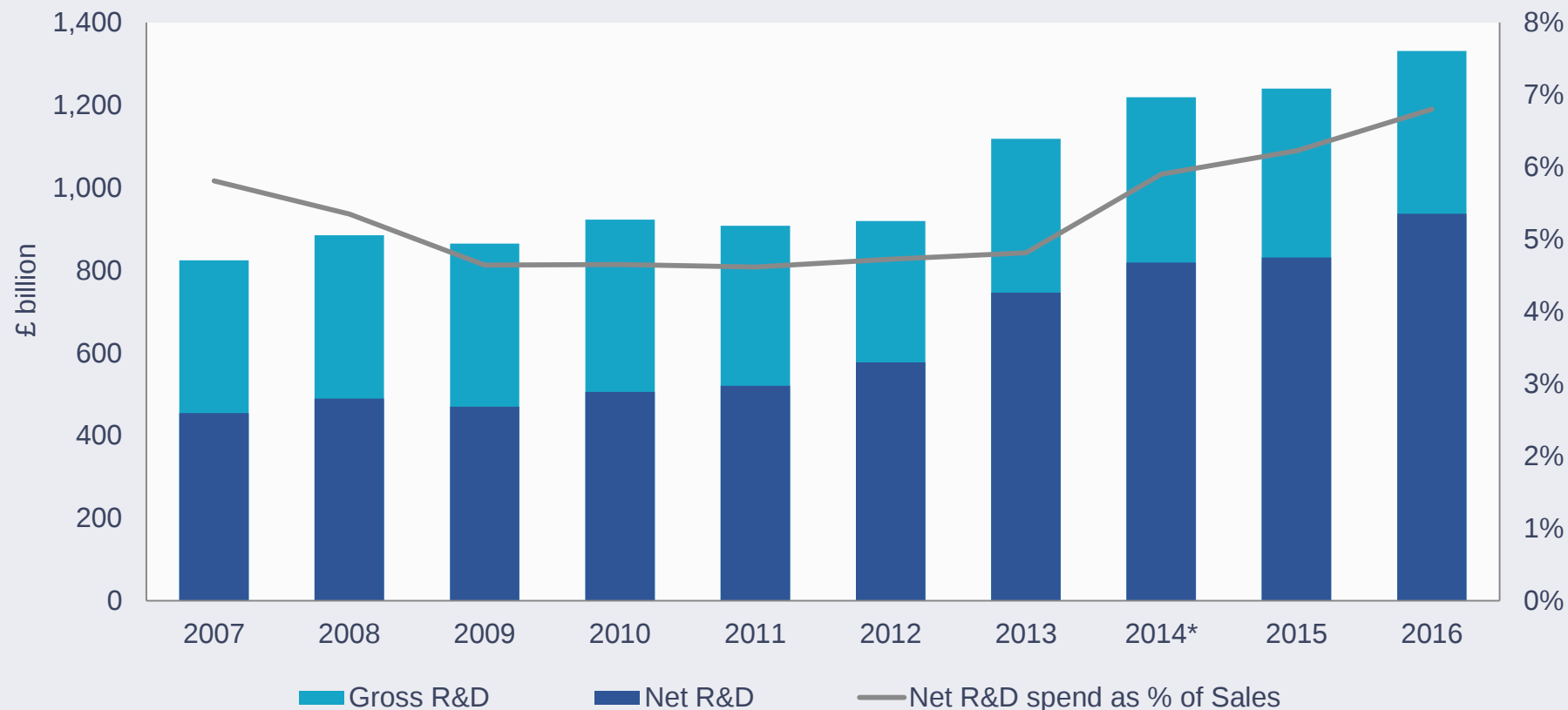
**Excludes TotalCare® Flex®

Full year research & development



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Continued investment in future technology



*Excludes the Energy business sold to Siemens from 2014 onwards

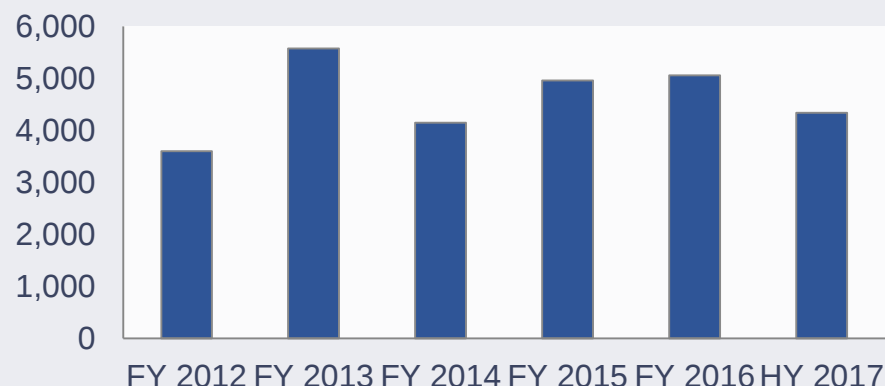
Balance sheet



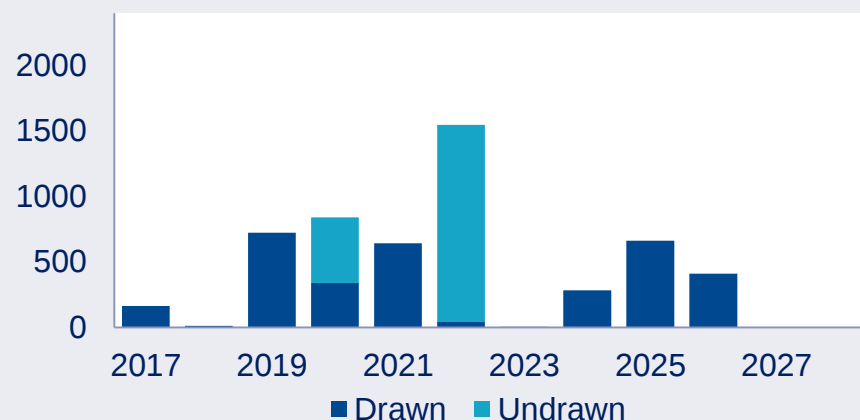
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Strong liquidity position – total liquidity £4.3 billion

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

Financials



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Historic financials



Rolls-Royce

	Including Energy				Excluding Energy				
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2014	FY 2015	FY 2016	H1 2016	H1 2017
Underlying revenue (£m)	11,277	12,209	15,505	14,588	13,864	13,354	13,783	6,143	6,865
Underlying profit before tax (£m)	1,157	1,434	1,759	1,617	1,620	1,432	813	104	287
EPS	48.54p	59.59p	65.59p	65.31p	65.42p	58.73p	30.13p	4.20p	11.23p
Free cash flow (£m)	581	548	781	254	447	179	100	(414)*	(339)
Order intake (£b)	16.3	16.1	26.9	19.4	19.0	18.2	19.1	10.3	10.4
Order book (£b)	62.2	60.1	71.6	73.7	73.7	76.4	81.3**	80.6**	82.7
Payment to shareholders (p/share)	17.5p	19.5p	22.0p	23.1p	23.1p	16.4p	11.70p	4.6p	4.6p

*Restated to include a £(15)m exceptional restructuring cash outflow previously excluded from free cash flow

**Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries

Historic revenue by segment



Rolls-Royce

	FY 2012 ¹	FY 2013	FY 2014	FY 2015	FY 2016	H1 2016	H1 2017
Civil Aerospace	6,437	6,655	6,837	6,933	7,067	3,171	3,676
Defence	2,417	2,591	2,069	2,035	2,209	1,002	1,048
Power Systems	287	2,831	2,720	2,385	2,655	1,084	1,233
Marine	2,249	2,527	1,709 ²	1,324	1,114	548	524
Energy	962	1,048	724 ³	-	-	-	-
Nuclear			684	687 ⁵	777	356	391
Other				96	37	21	28
Intra-segment	(143)	(147)	(155)	(106)	(76)	(39)	(35)
Total revenue	12,209	15,505	14,588⁴	13,354	13,783	6,143	6,865

Note 1: 2012 figures were restated in 2013 but the figures above are as published in 2012

Note 2: Marine figures in 2014 don't include Submarines as they were moved to Nuclear

Note 3: The Energy business was sold on 1 December 2014

Note 4: Includes Energy. £13,864m excluding Energy

Note 5: Following the sale of the Energy business, Nuclear is shown as a separate segment

Historic underlying PBFCT by segment



Rolls-Royce

	FY 2012*	FY 2013	FY 2014	FY 2015	FY 2016	H1 2016	H1 2017
Civil Aerospace	727	844	942	812	367	31	173
Defence	404	438	366	393	384	128	148
Power Systems	109	294	253	194	191	13	66
Marine	294	281	138**	15	(27)	(13)	(31)
Energy	21	26	(3)***	-	-	-	-
Nuclear			48	70****	45	18	14
Other				52	2	9	(2)
Intra-segment	(11)	2	(13)	7	-	(2)	3
Central costs	(54)	(54)	(53)	(51)	(47)	(26)	(26)
Total PBFCT	1,490	1,831	1,678	1,492	915	158	345

* 2012 figures were restated in 2013 but the figures above are as published in 2012

** Marine figures in 2014 don't 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



Rolls-Royce

(£ million)	FY 2016	H1 2016	H1 2017
Revenue	13,783	6,143	6,865
Gross profit	2,823	1,033	1,252
Commercial and administrative costs	(1,163)	(538)	(531)
Net R&D charge	(862)	(378)	(411)
Other income & costs	117	41	35
Profit before finance charge and tax (PBFCT)	915	158	345
Net financing charge	(102)	(54)	(58)
Profit before tax (PBT)	813	104	287

Cash flow



Rolls-Royce

(£ million)	FY 2016	H1 2016	H1 2017
Underlying profit before tax (PBT)	813	104	287
Depreciation & amortisation	720	335	372
Net working capital	(55)	(235)	(110)
Capital expenditure & intangibles	(1,201)	(539)	(753)
Other	47	(7)*	(52)
Trading cash flow	324	(342)*	(256)
Pension / tax / other	(224)	(72)	(83)
Free Cash Flow	100	(414)*	(339)
Shareholder payments	(301)	(168)	(85)
Base cash flow (exc. acquisitions & FX)	(201)	(582)	(424)

*Restated to include a £(15)m exceptional restructuring cash outflow previously excluded from free cash flow

Research & development



Rolls-Royce

(£m)	Including Energy				Excluding Energy				
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2014	FY 2015	FY 2016	H1 2016	H1 2017
Gross R&D	(908)	(919)	(1,118)	(1,249)	(1,222)	(1,240)	(1,331)	(638)	(645)
Net R&D	(520)	(577)	(746)	(844)	(819)	(831)	(937)	(433)	(465)
Net R&D spend as % of underlying revenues	4.6%	4.7%	4.8%	5.8%	5.9%	6.2%	6.8%	7.0%	6.8%
Capitalised	93	38	108	83	83	52	99	54	84
Amortised	(36)	(50)	(69)	(65)	(65)	(80)	(85)	(41)	(44)
Impairment	-	-	-	-	-	-	(2)	-	-
R&D charged to income statement (before RRSA entry fees)	(463)	(589)	(707)	(826)	(801)	(859)	(925)	(420)	(425)
Net RRSA entry fee impact		58	83	71	71	94	63	42	14
R&D charge to Income Statement	(463)	(531)	(624)	(755)	(730)	(765)	(862)	(378)	(411)

Foreign exchange



Rolls-Royce

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
- \$39 billion USD:GBP hedge book provides 5-6 years' cover
- Hedge book average rate is £/\$1.54
- \$3 billion EURUSD hedge book provides 3-4 years' cover
- Hedge book average rate is €/ \$1.26

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

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

	Revenue	Profit
USD	~£7 million	~£1 million
EUR	~£15 million	~£1 million
NOK	~£0 million	~£0million

Foreign exchange – H1 2017 translational impact



Rolls-Royce

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

H1 2017 vs. H1 2016 £m (excluding energy)	Exposure		Revenue Impact		PBFCT Impact	
	Revenue	Profit	Inc. FX	FX	Inc. FX	FX
Group*			6,865	337	345	32
Civil Aerospace	USD, EUR	USD, EUR	3,676	73	173	17
Defence Aerospace	USD	USD	1,048	84	148	13
Power Systems	EUR	EUR	1,233	114	66	5
Marine	NOK, EUR	EUR	524	58	(31)	(1)
Nuclear	USD	USD	391	8	14	0

Period average rates	H1 2016	H1 2017
USD	1.43	1.26
EUR	1.28	1.16
NOK	12.08	10.67

*Figures will not sum due to intersegment eliminations

Reconciliation to reported profit

H1 2017



Rolls-Royce

	£m
Underlying profit before tax	287
Mark-to-market adjustments on derivative contracts	1,399
Realised losses / (gains) on settled derivative contracts	342
Exceptional restructuring	(31)
Other adjustments	(56)
Reported profit before tax	1,941

Customer finance



Rolls-Royce

Financial strength allows the Group to provide finance support to customers

Selective and designed
to minimize 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 30 June 2017:

- Total Discounted Gross Exposure: US\$274m (2016YE: \$293m)
- Total Discounted Net Exposure (less security): US\$77m (2016YE: \$76m)
- Total Discounted Net Stressed Exposure (assumes 20% asset discount): US\$101m (2016YE: \$106m)
- Liabilities are spread across multiple geographies, customers and aircraft

Pensions

Key fact: UK plan continues to have material surplus: £1.2bn



Rolls-Royce

UK plan

- 85% of gross liabilities and 95% of gross assets
- £13.3bn of assets and surplus of £1,229m. £125m reduction in surplus in H1 due to plan assets under-performing liabilities measured on an IAS19* basis
- 90% 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 currently being conducted as at 31 March 2017 is expected to show material surplus. No deficit funding is anticipated
- Annual contributions c£180m (including c£30m financed by employees under salary sacrifice arrangements). This is a major reduction to the historical level of UK contributions that were paid to resolve deficits. New contribution schedule to take effect from 2018 to be negotiated with plan trustees

Overseas plans

- 15% of gross liabilities and 5% of gross assets
- Deficit of £1,350m (IAS19 basis) principally made up of
 - a) unfunded US healthcare/pension plans (£534m) and
 - b) German unfunded pension plans (£728m)
- YTD contributions of £40m (FY 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

Civil Aerospace



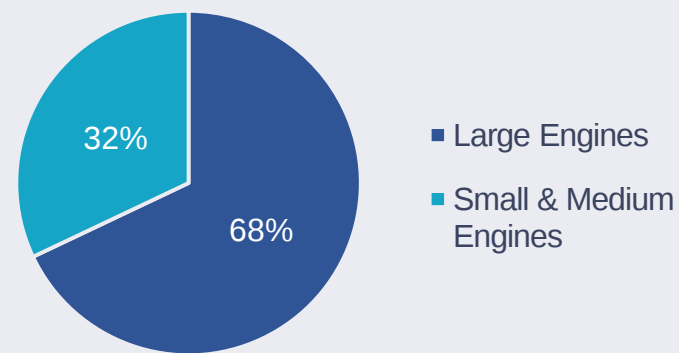
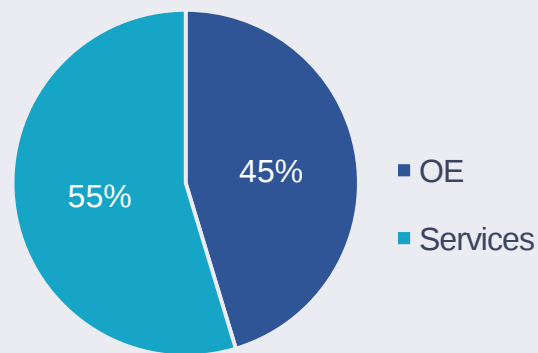
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Civil Aerospace



Rolls-Royce

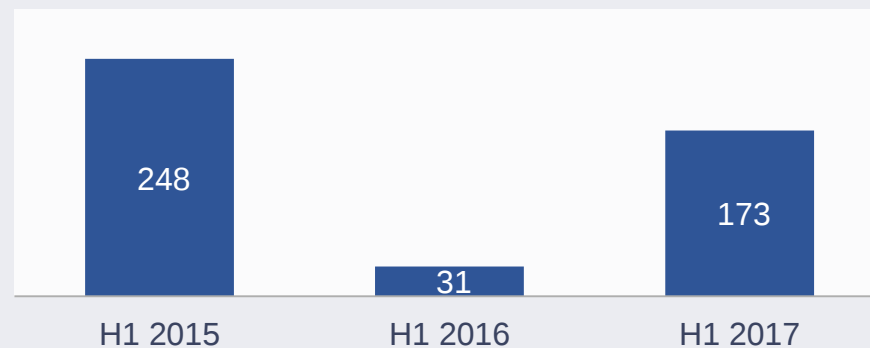
Revenue £3,676 million



Order book £73.3 billion



Profit before financing £173 million



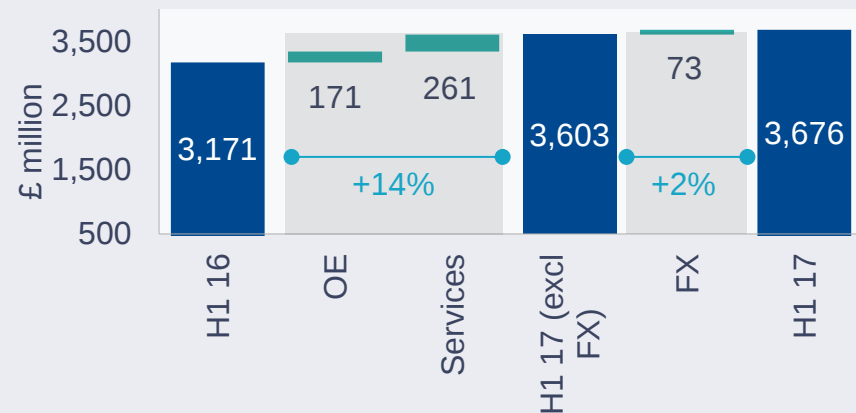
*Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries

Civil revenue, profit and gross margin

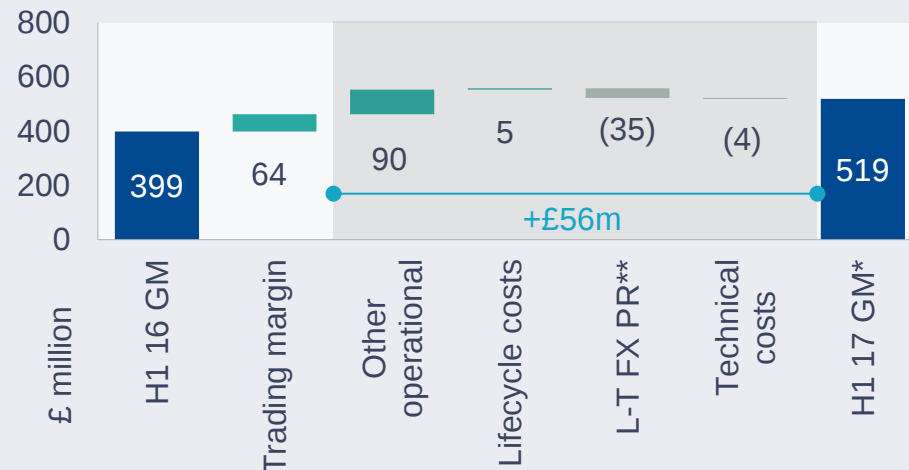


Rolls-Royce

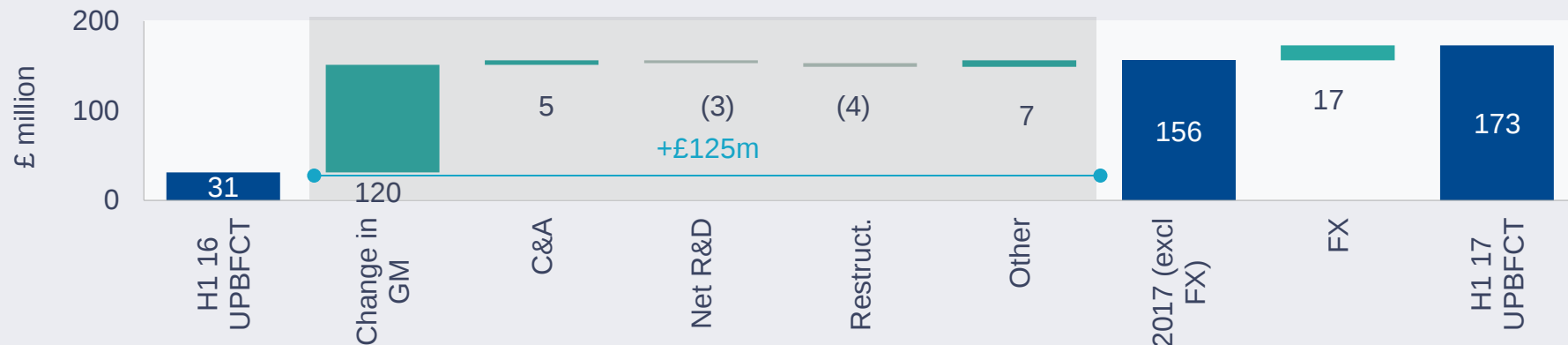
Revenue



Gross Margin



Profit



*2017 GM @ 2016 FX

**Long-term FX planning rate change (USD)

Civil underlying revenue



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	H1 2016* £m	% of whole	Underlying change £m	Underling change %	Foreign exchange £m	% of whole	H1 2017 £m
OE	1,461	46%	171	12%	34	45%	1,666
Large engine: linked and other	657	21%	99	15%	1	20%	757
Large engine: unlinked installed	312	10%	197	63%	1	14%	510
Business aviation	359	11%	(98)	-27%	32	8%	293
V2500	133	4%	(27)	-20%	–	3%	106
AM	1,710	54%	261	15%	39	55%	2,010
Large engine	1,050	33%	179	17%	2	33%	1,231
Business aviation	212	7%	44	21%	21	8%	277
Regional	153	5%	1	1%	16	5%	170
V2500	295	9%	37	13%	–	9%	332

*2016 H1 figures have been restated to reflect refinements in allocations

Products



Rolls-Royce

Leading widebody market share

Engine	Airframe	Market share*	Installed base	Engines on order**
Trent 7000	Airbus A330neo	100%	0	420
Trent XWB	Airbus A350	100%	200	1,506
Trent 1000	Boeing 787	39%	434	428
Trent 900	Airbus A380	54%	352	276
Trent 800	Boeing 777	40%	412	0
Trent 700	Airbus A330	60%	1,584	98
Trent 500	Airbus A340	100%	488	0
			3,470	2,728

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

**According to Ascend

Installed thrust 2007 – H1 2017



Rolls-Royce

Millions of pounds (m/lbs) of installed thrust* in service

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	H1 2017
Large engines	205	209	219	226	236	249	261	278	292	304	314
Small engines	84	88	91	94	96	100	104	109	113	116	118
Total	289	297	310	320	332	349	365	387	405	420	432

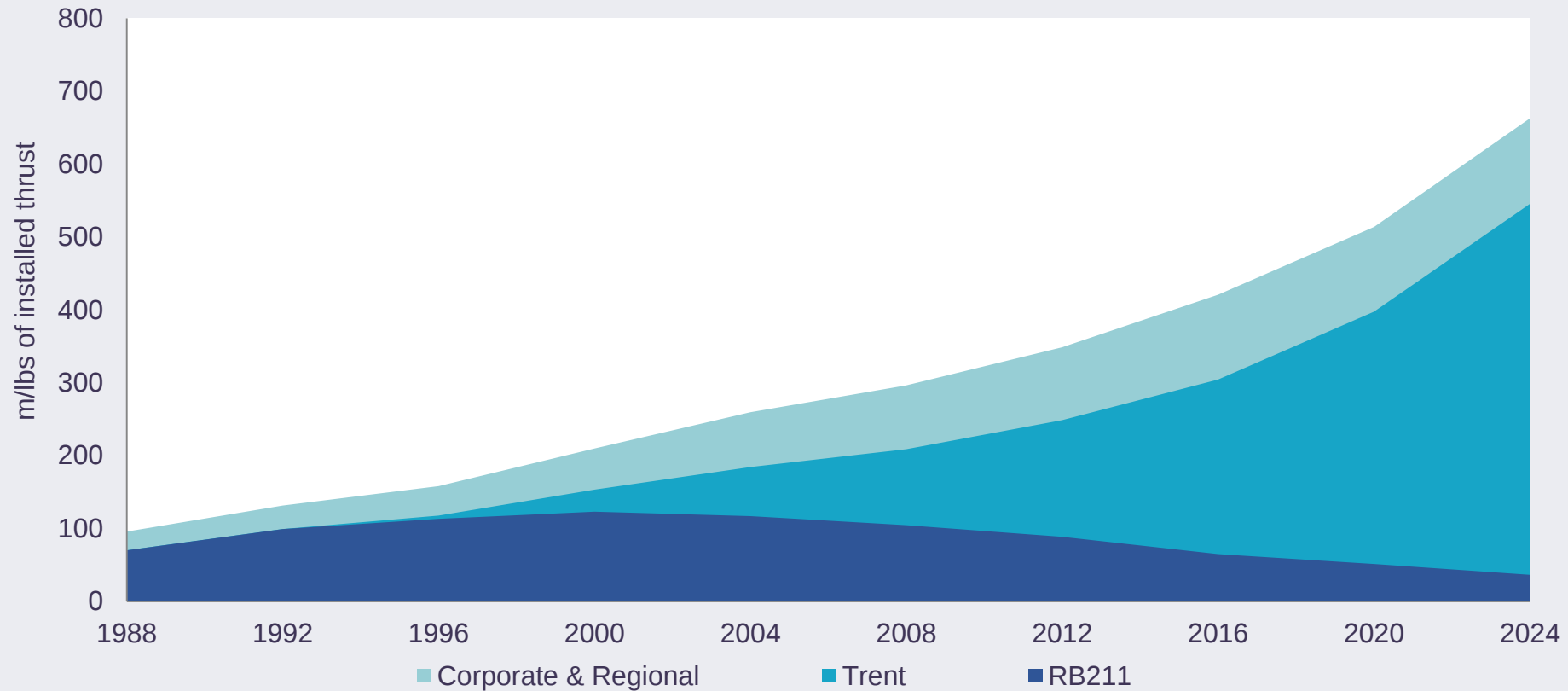
*Installed thrust is shown net of retirements (but does include aircraft which are parked or in storage)

Installed thrust



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Growing market opportunities



Civil engine deliveries 2007 – H1 2017



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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	H1 2016	H1 2017
Large engines	145	193	225	185	224	275	282	311	308	357	164	209
Small engines	398	443	272	290	320	393	471	428	404	292	148	99
Total	543	636	497	475	544	668	753	739	712	649	312	308

Civil engine deliveries



Rolls-Royce

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 H1
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	47
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	32
Trent 1000									0	18	46	59	79	106	122	45
Trent XWB													13	56	117	85
Trent	121	153	160	163	201	140	188	224	185	224	275	282	311	308	357	209
Civil Large Engines	151	169	171	170	203	145	193	225	185	224	275	282	311	308	357	209
Spey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tay	66	48	43	55	66	80	92	68	51	57	60	67	46	38	28	0
AE3007	288	217	242	168	113	135	135	32	55	31	43	78	48	34	20	4
BR700	127	96	131	161	155	183	216	172	184	232	290	326	334	332	244	95
Civil Small Engines	481	361	416	384	334	398	443	272	290	320	393	471	428	404	292	99
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	308

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

Civil engine installed base**



Rolls-Royce

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 H1
By engine																
RB211 22B	165	156	132	120	81	66	42	30	21	12	12	6	6	6	6	9
RB211 524	1,042	1,019	1,003	994	953	944	895	848	783	752	685	626	574	492	373	355
RB211 535	1,196	1,206	1,218	1,214	1,210	1,206	1,204	1,196	1,196	1,172	1,166	1,154	1,138	1,120	1,044	1,020
RB211 Total	2,403	2,381	2,353	2,328	2,244	2,216	2,141	2,074	2,000	1,936	1,863	1,786	1,718	1,618	1,423	1,384
Trent 500	48	132	220	300	388	424	456	508	520	524	524	520	516	500	488	488
Trent 700	206	234	264	306	364	424	494	608	724	840	980	1,144	1,308	1,444	1,538	1,584
Trent 800	344	376	392	408	432	444	442	450	450	450	450	444	436	428	420	412
Trent 900					16	20	36	68	96	152	216	252	296	320	340	352
Trent 1000										14	52	94	178	270	394	434
Trent XWB													12	38	132	200
Trent	598	742	876	1,014	1,200	1,312	1,428	1,634	1,790	1,980	2,222	2,454	2,746	3,000	3,312	3,470
Civil Large Engines	3,001	3,123	3,229	3,342	3,444	3,528	3,569	3,708	3,790	3,916	4,085	4,240	4,464	4,618	4,735	4,854
Spey	1,408	1,376	1,342	1,246	1,204	1,158	1,132	1,056	1,000	892	848	768	690	590	516	470
Tay	1,772	1,830	1,847	1,866	1,890	1,903	1,951	2,017	2,057	2,077	2,119	2,155	2,177	2,201	2,203	2,201
AE3007	1,718	1,966	2,200	2,370	2,476	2,596	2,710	2,782	2,814	2,850	2,896	2,950	2,976	2,970	2,966	2,966
BR700	792	904	1,006	1,164	1,312	1,480	1,650	1,832	2,032	2,226	2,448	2,744	3,084	3,432	3,684	3,808
Civil Small Engines	5,690	6,076	6,395	6,646	6,882	7,137	7,443	7,687	7,903	8,045	8,311	8,617	8,927	9,193	9,369	9,445
V2500*	871	971	1,080	1,217	1,361	1,496	1,650	1,794	1,949	2,119						
Civil Total	9,562	10,170	10,704	11,205	11,687	12,161	12,662	13,189	13,642	14,080	12,396	12,857	13,391	13,811	14,104	14,299

*50% of the total V2500 fleet included

**Installed engine base is net of retirements but does include aircraft which are parked or in storage

Civil installed thrust base (millions lbs)**



Rolls-Royce

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 H1
By engine																
RB211 22B	10	9	8	7	5	4	3	2	1	1	1	0	0	0	0	1
RB211 524	63	61	60	60	57	57	54	51	47	45	41	38	34	30	22	21
RB211 535	48	48	49	49	48	48	48	48	48	47	47	46	46	45	42	41
RB211 Total	120	119	117	115	110	109	104	101	96	93	88	84	80	75	65	63
Trent 500	3	7	12	17	22	24	26	28	29	29	29	29	29	28	27	27
Trent 700	15	17	19	22	26	31	36	44	52	60	71	82	94	104	111	114
Trent 800	32	35	36	38	40	41	41	41	41	41	41	41	40	39	39	38
Trent 900	0	0	0	0	1	1	3	5	7	11	15	18	21	22	24	25
Trent 1000	0	0	0	0	0	0	0	0	0	1	4	7	13	19	28	31
Trent XWB													1	3	11	17
Trent	49	59	67	76	89	97	104	118	129	143	160	177	198	217	240	252
Civil Large Engines	169	178	184	192	199	205	209	219	225	236	249	261	278	292	304	314
Spey	15	15	15	14	13	13	12	12	11	10	9	8	8	6	6	5
Tay	27	27	28	28	28	29	29	30	31	31	32	32	33	33	33	33
AE3007	13	15	17	18	19	19	20	21	21	21	22	22	22	22	22	22
BR700	12	14	15	17	20	22	25	27	30	33	37	41	46	51	55	57
Civil Small Engines	67	71	74	77	80	83	87	90	93	96	100	104	109	113	116	118
V2500*	24	27	30	33	37	41	45	49	54	58	0	0	0	0	0	0
Civil Total	260	275	288	302	317	329	341	358	372	390	348	365	387	405	420	432

*50% of the total V2500 fleet included

**Installed engine base is net of retirements but does include aircraft which are parked or in storage

Defence Aerospace



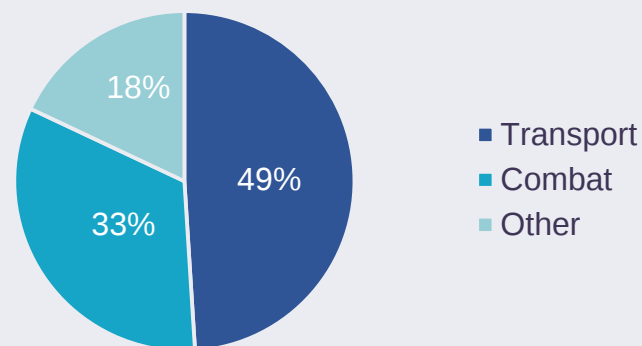
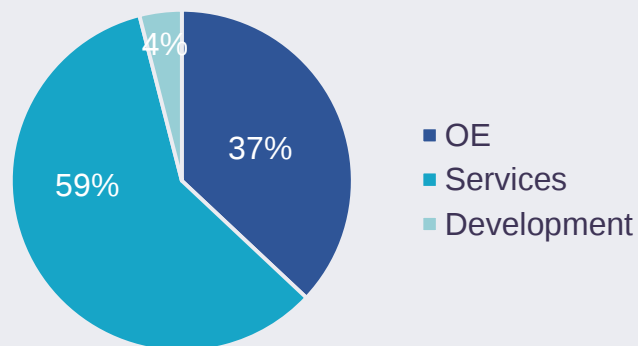
Rolls-Royce

Defence Aerospace

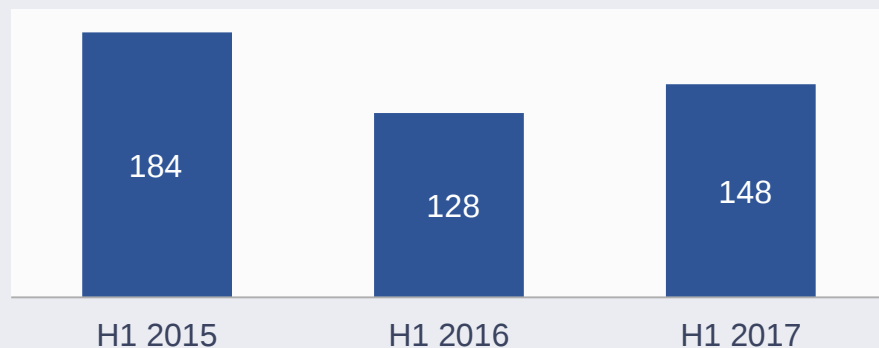


Rolls-Royce

Revenue £1,048 million



Profit before financing £148 million



Order book £4.3 billion



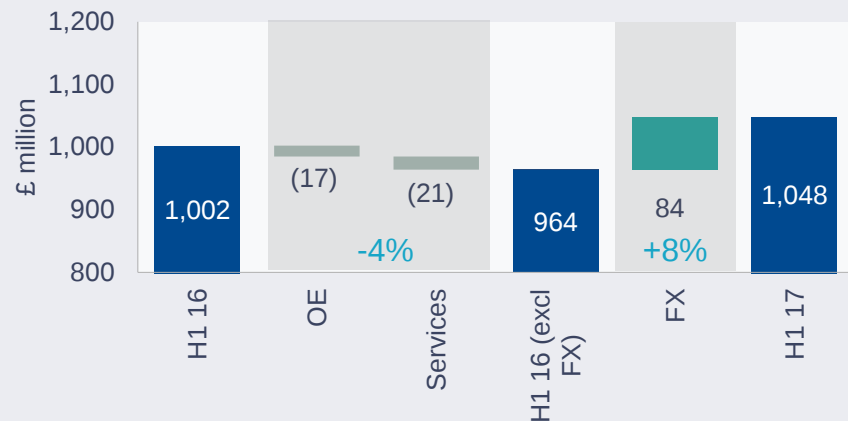
*Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries

Defence revenue, profit and gross margin

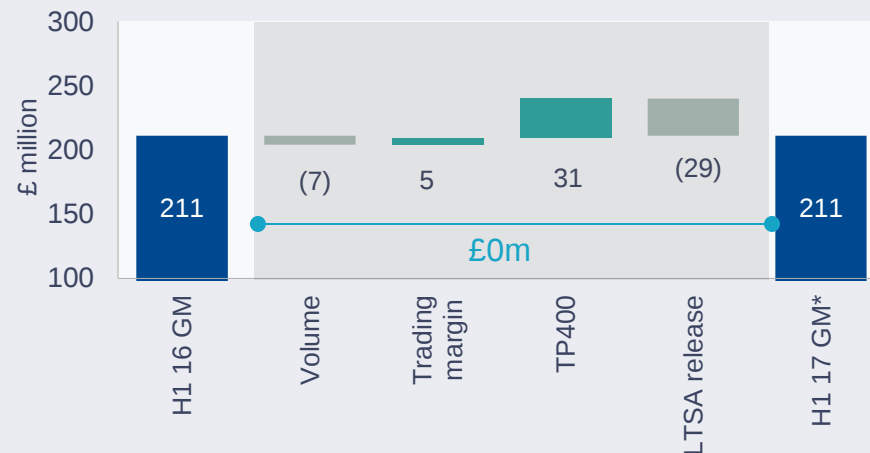


Rolls-Royce

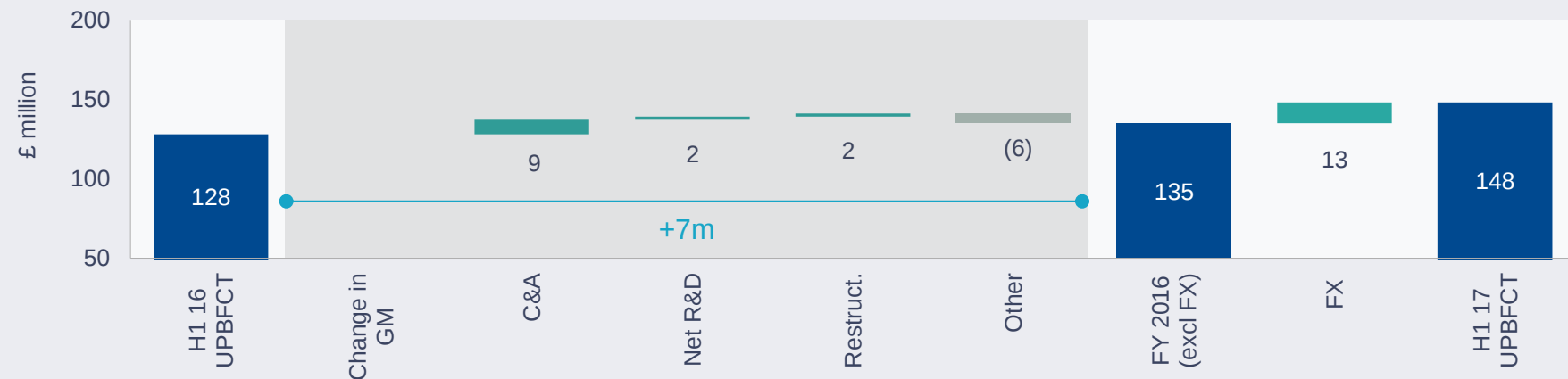
Revenue



Gross Margin



Profit



Products



Rolls-Royce

Market	Engine	Application
Transport & Patrol / UAV	Trent 700 – 772B AE 1107C – Liberty TP400-D6 AE 2100 T56* AE 3007 M250 Adour BR710 RB211* Gem* Gnome* Tay* Tyne* Dart *	Airbus Defence and Space A330-200 MRTT Bell Boeing V-22 Osprey Airbus Defence and Space A400M Lockheed Martin C-130J Hercules / Alenia Aermacchi C-27J Spartan / Shinmaywa US-2 Lockheed Martin C-130 (A-H) Hercules / C-2 Greyhound / Lockheed Martin P-3 Orion Embraer Legacy / Northrop Grumman RQ-4A Global Hawk / MQ-4C Triton Northrop Grumman MQ-8C Fire Scout VTUAV BAE Systems Hawk / T-45 Goshawk / Taranis demonstrator / NeuroN demonstrator Global Express / Gulfstream G550 Boeing 757 AgustaWestland Lynx AgustaWestland Sea King / Commando Gulfstream G300, G400 & G450 C-160 Transall / A-7 / Seabat Atlantique 2 HS368
Combat	Rolls-Royce LiftSystem Pegasus* EJ200 RB199* Adour M250 MTR390 CTS800	Lockheed Martin F-35B Lightning II BAE Systems Sea Harrier / Boeing BAE Systems AV8B Harrier II Eurofighter Typhoon Panavia Tornado IDS / ECR SEPECAT Jaguar Bell OH-58 Kiowa Warrior Eurocopter Tiger ATAK Team T129
Trainer	Spey* Adour Viper* M250 (Turboprop)	AMX International BAE Systems Hawk / Boeing BAE Systems T-45 Goshawk AerMacchi MB339 / HAL HJT Kiran Fuji T-5 / T-7

*In service with operators, but out of production

Defence engine deliveries 2007 – H1 2017



Rolls-Royce

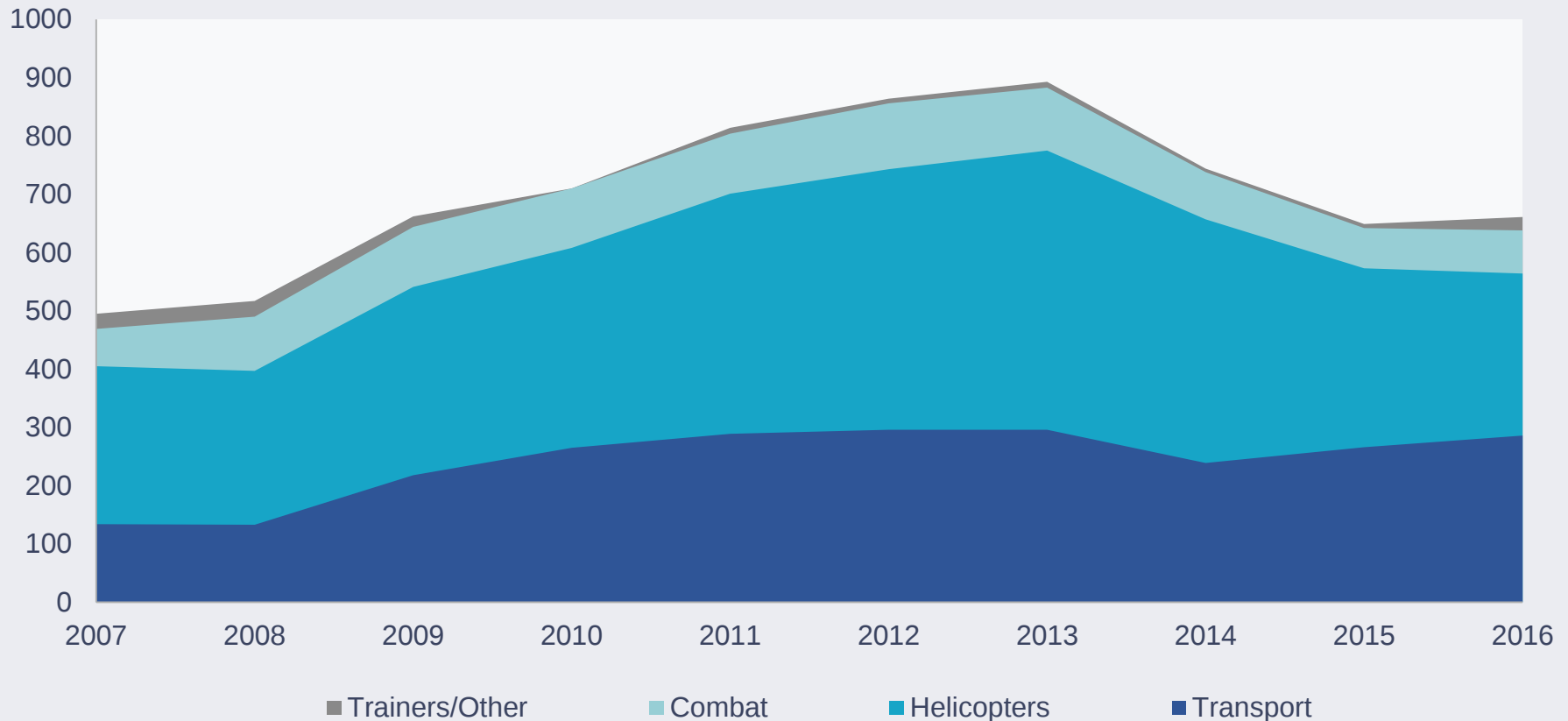
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	H1 2017
Transport	134	133	218	265	289	305	296	239	266	286	145
Helicopters	271	264	323	343	412	438	479	418	307	278	99
Combat	64	93	103	102	103	113	108	81	69	74	22
Trainers/Other	26	27	18	0	10	8	10	6	7	23	7
Total	495	517	662	710	814	864	893	744	649	661	273

The increase in Trainers in 2016 was mainly for +15 higher Adour Mk951 units for Saudi.

Defence engine deliveries 2007 - 2016



Rolls-Royce



Power Systems



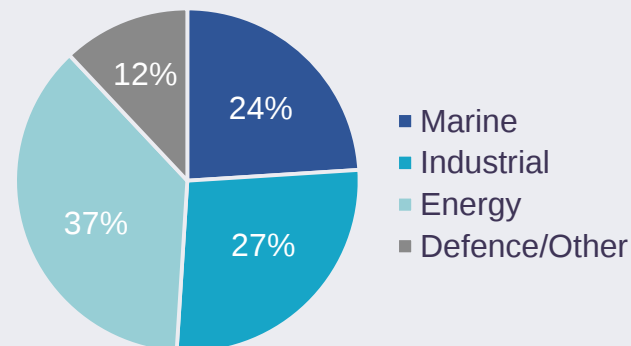
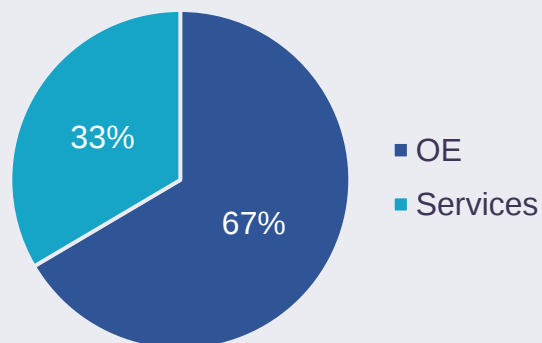
Rolls-Royce

Power Systems

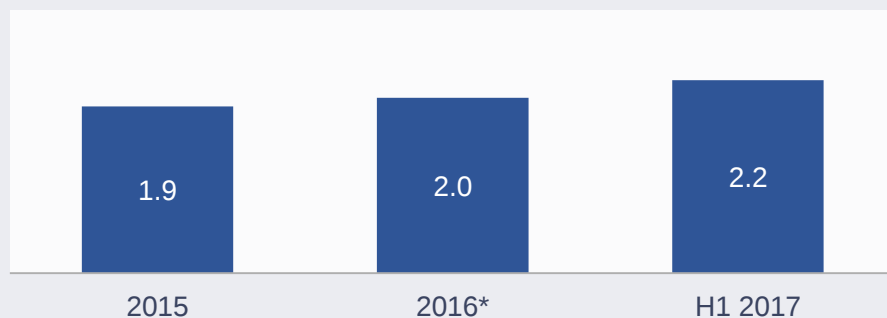


Rolls-Royce

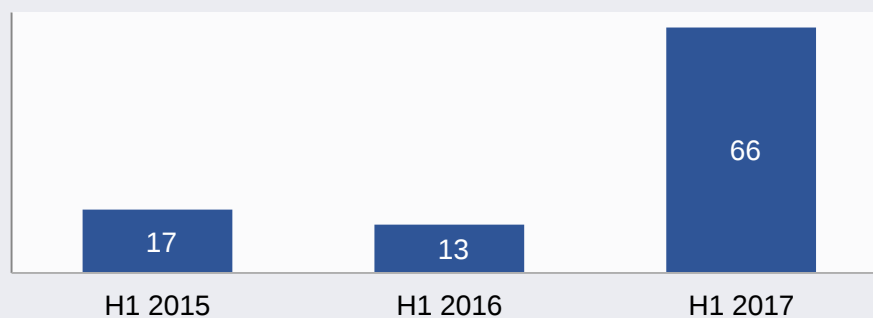
Revenue £1,233 million



Order book £2.2 billion



Profit before financing £66 million



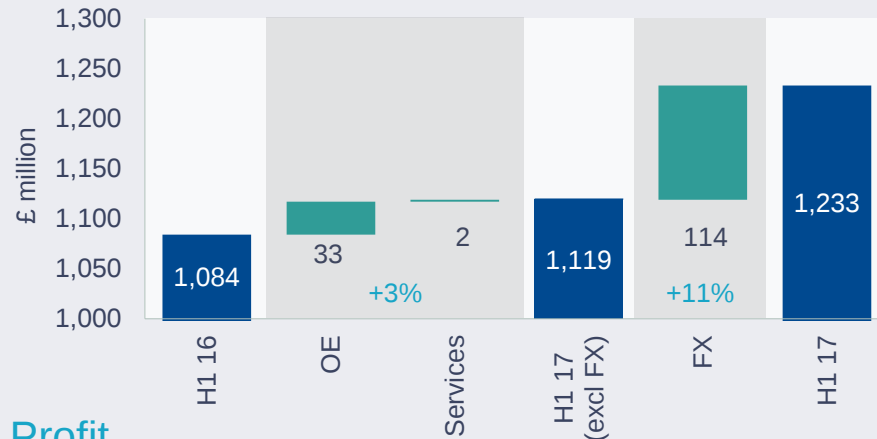
*Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries

Power Systems revenue, profit and gross margin

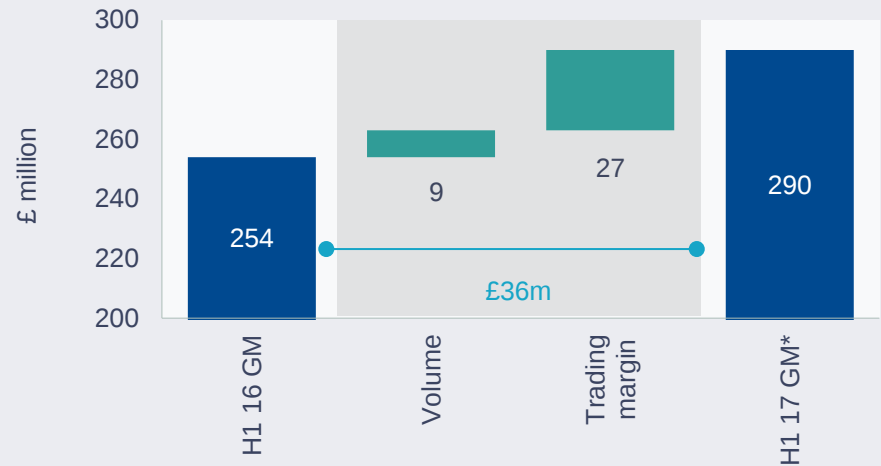


Rolls-Royce

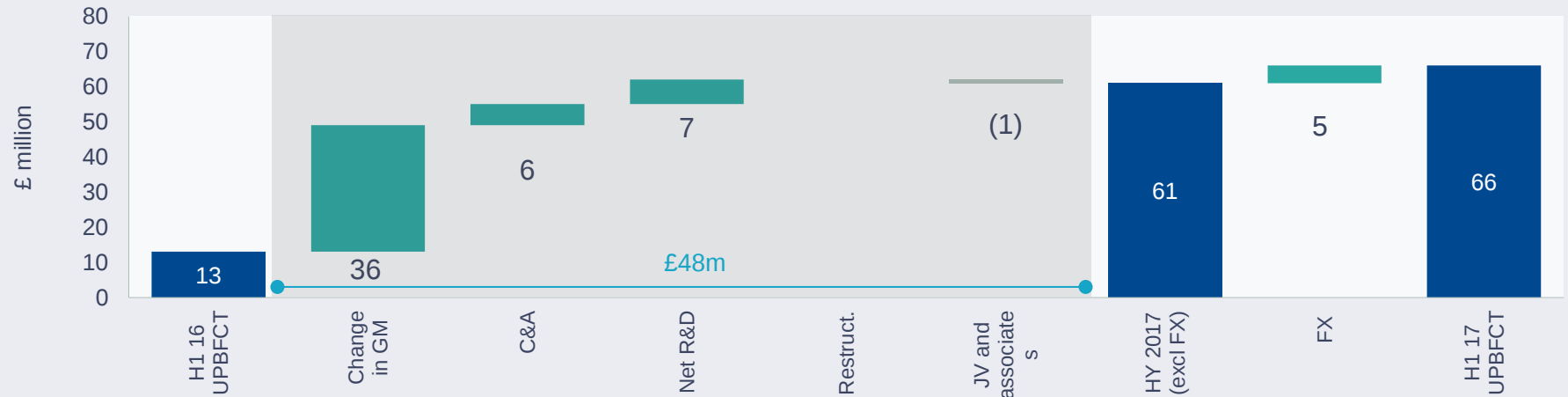
Revenue



Gross Margin



Profit



*2017 GM @ 2016 FX

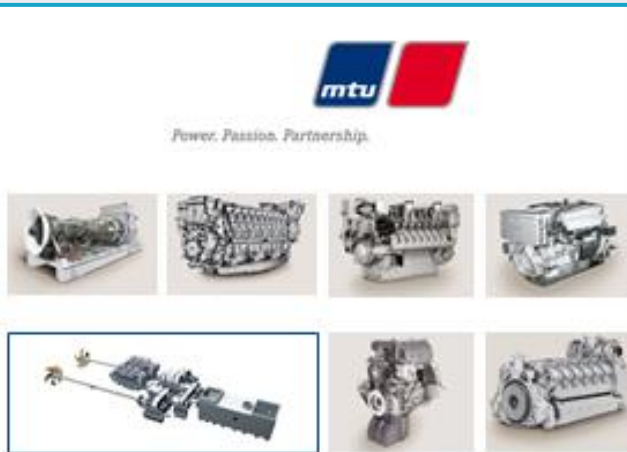
Products



Rolls-Royce

Rolls-Royce Power Systems AG

High-speed engines



Complete Drive and Propulsion Systems up to 10,000 kW

Distributed energy systems



Gas Gensets up to 2,530kW

Diesel Gensets up to 3,250kW

Diesel Gensets for NPP up to 8,300 kW

Medium-speed engines

Bergen Engines AS



Diesel and Gas Engines up to 9,620 kW

Components



Injection Systems

Marine



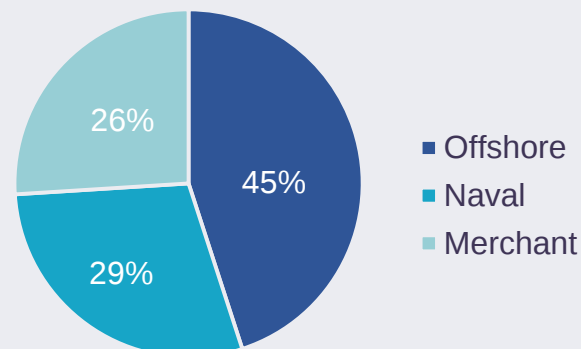
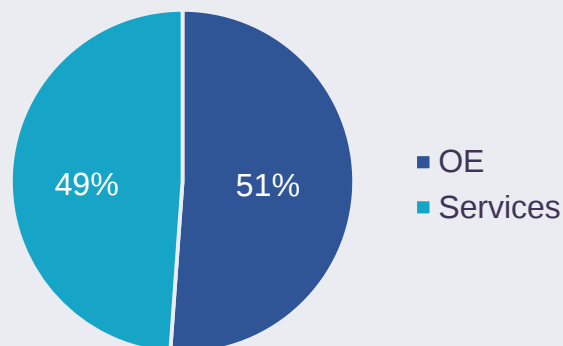
Rolls-Royce

Marine

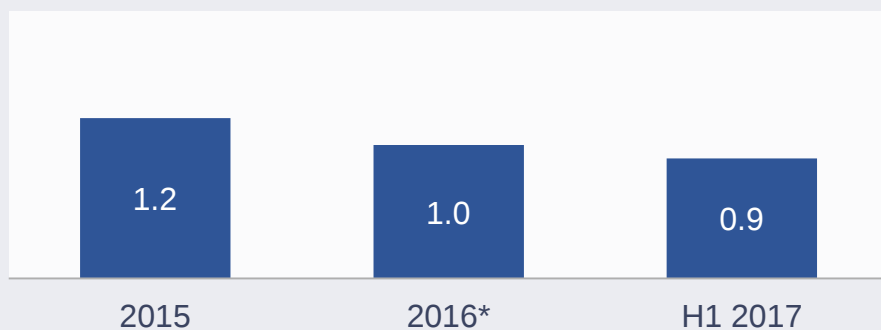


Rolls-Royce

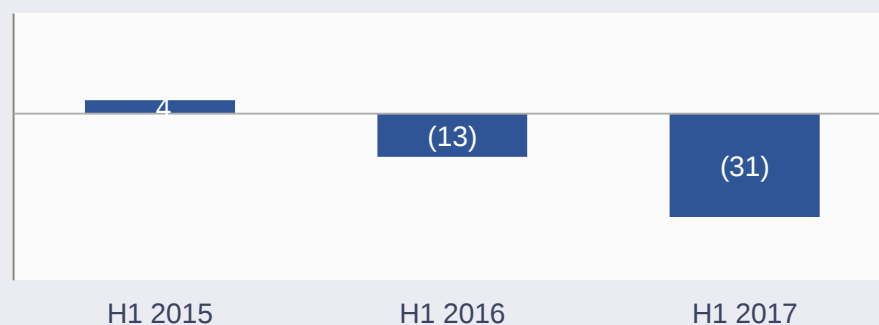
Revenue £524 million



Order book £0.9 billion



Profit before financing £(31) million



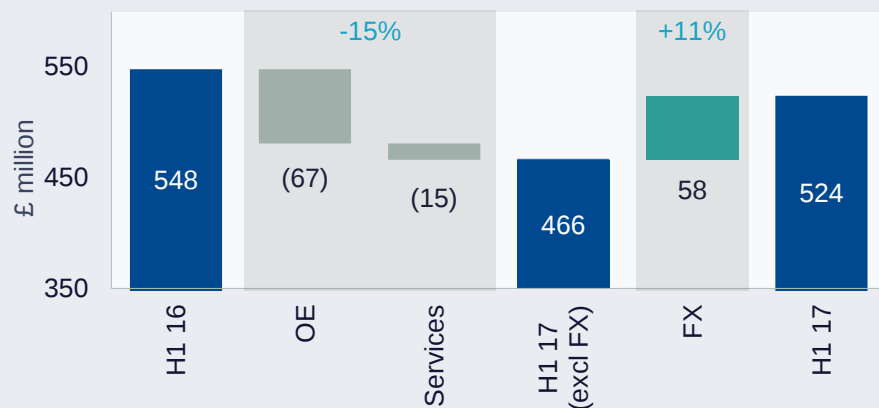
*Restated to reflect methodology change in rates used to translate order books of overseas subsidiaries

Marine revenue, profit and gross margin

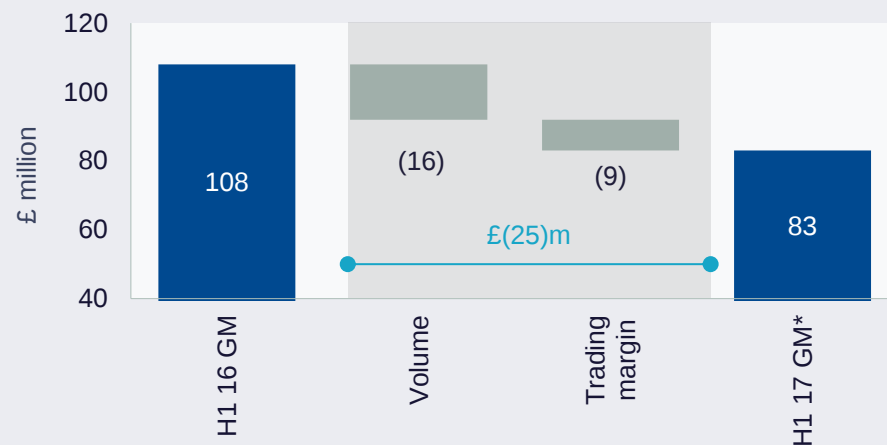


Rolls-Royce

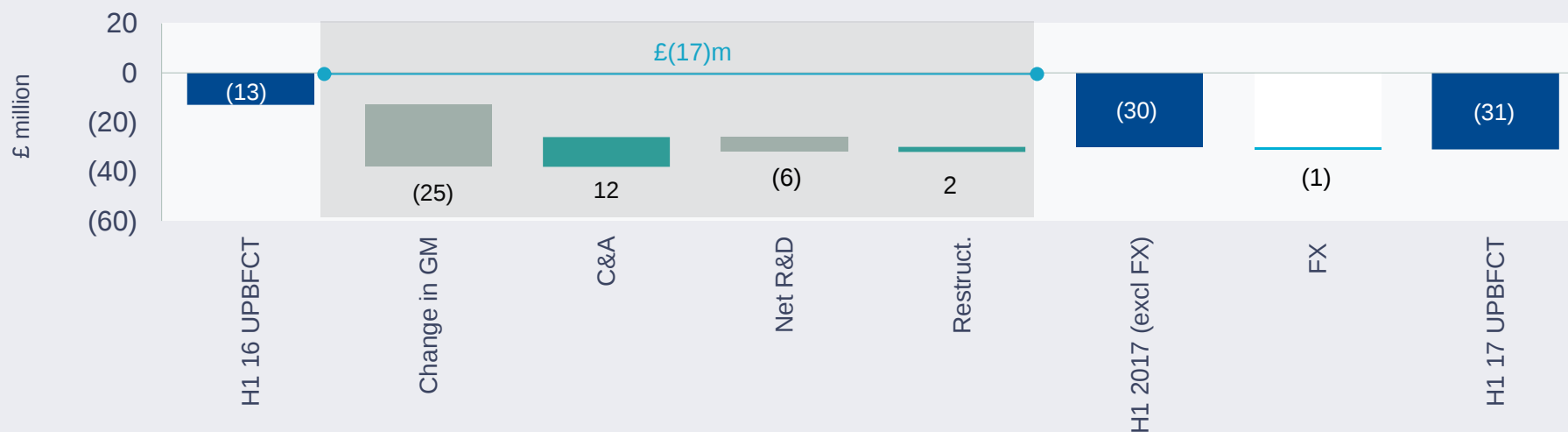
Revenue



Gross Margin



Profit



*2017 GM @ 2016 FX

Products



Rolls-Royce

World-leading range of capabilities

Market Sector	Description	Products
Offshore Equipment on > 6,000 vessels	Products and systems for the supply & service, subsea & construction and exploration & production vessels, including our UT ship design; the benchmark in the offshore oil & gas industry	Ship design, automation & control, power electrics, reciprocating engines, gas turbines, propulsion equipment, deck machinery and innovative ship intelligence solutions
Merchant Equipment on > 17,000 vessels	Products and systems for the cargo, passenger and coastal vessels, including our reciprocating gas engines; efficient and environmentally-friendly power	
Naval Equipment on > 2,000 vessels	Products and systems for naval, coast guard and governmental vessels, including our MT-30; the world's most powerful marine gas turbine	

Nuclear



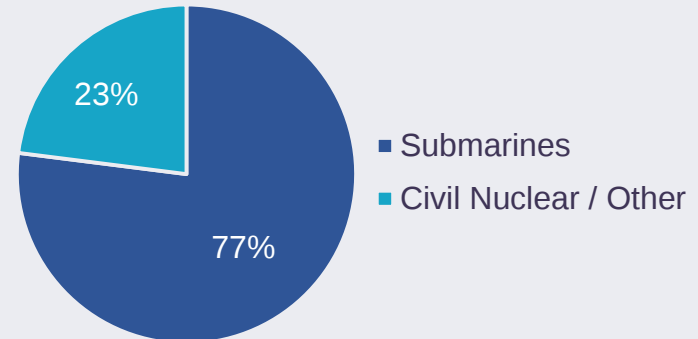
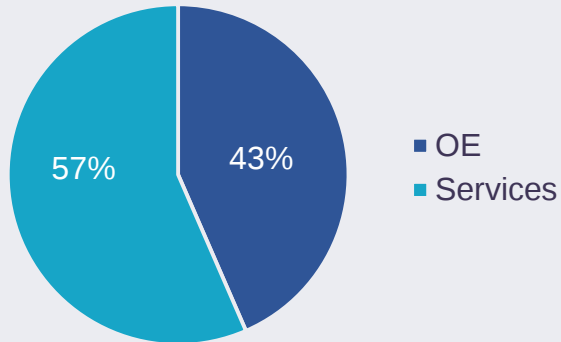
Rolls-Royce

Nuclear

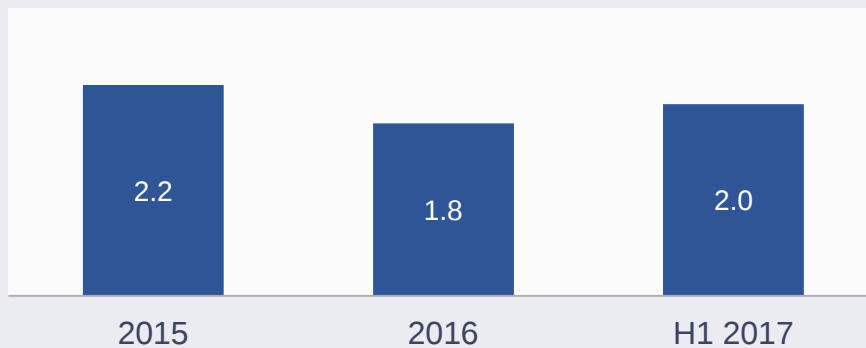


Rolls-Royce

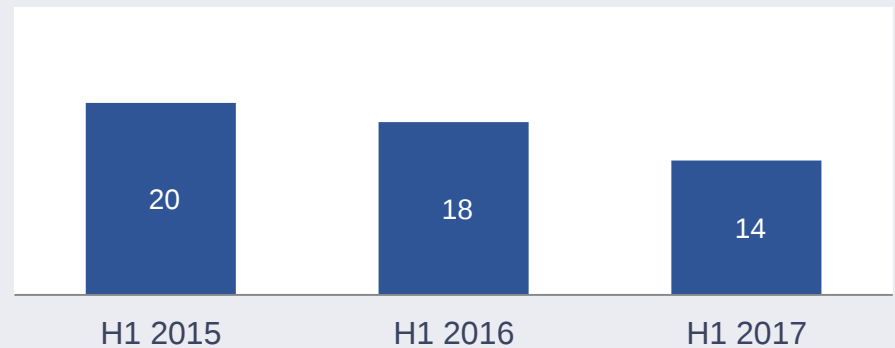
Revenue £391 million



Order book £2.0 billion



Profit before financing £14 million

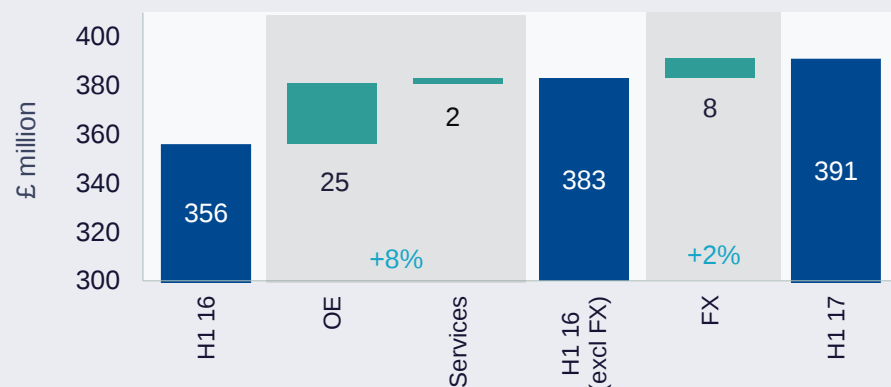


Nuclear revenue, profit and gross margin

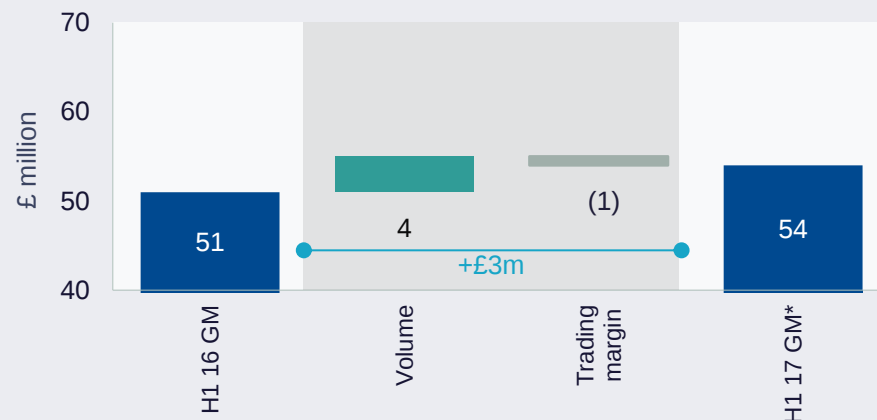


Rolls-Royce

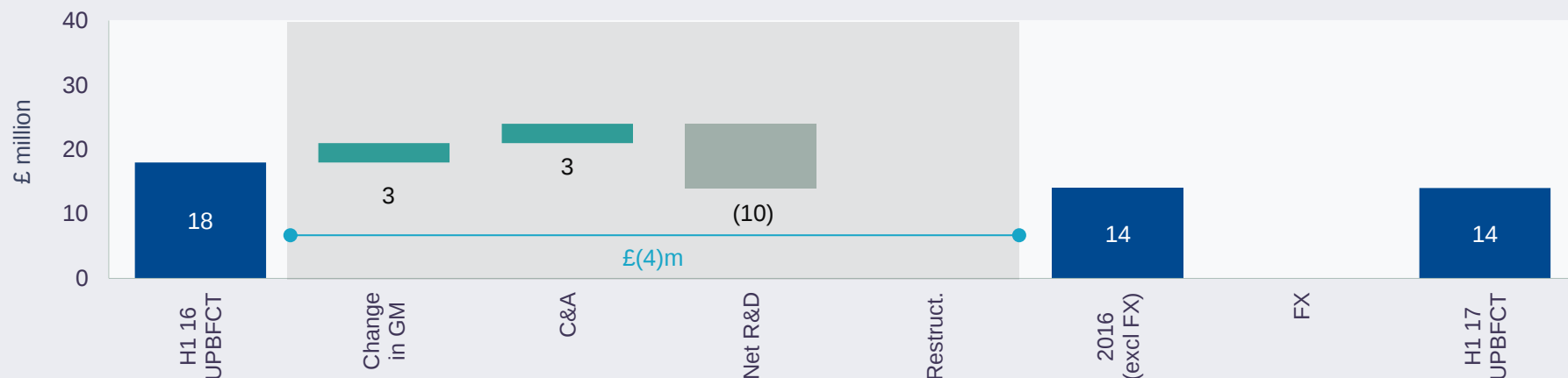
Revenue



Gross Margin



Profit



Products



Rolls-Royce

Growing demand for systems and services

Market Sector	Description	Products
Nuclear	Systems, engineering and support services to enable nuclear plant efficiency, lifetime extension and reliability for reactor vendor and utility customers. Components and systems installed in around half of the world's operational nuclear reactors	Instrumentation & Control Systems Mechanical Systems & Component Engineering Safety, Licensing & Environmental Engineering Digital services Nuclear services
	Supply and support of nuclear power systems covering the entire UK submarine fleet	

Investor Relations



Rolls-Royce

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Safe harbour statement



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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 half year results statement for the definition.