

Rolls-Royce Holdings plc

2013 Full year results

John Rishton, Chief Executive

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2013 Highlights

- **Order book up 19%**
- **Revenue up 27%**
- **Profit up 23%**
- **Payments to shareholders up 13%**

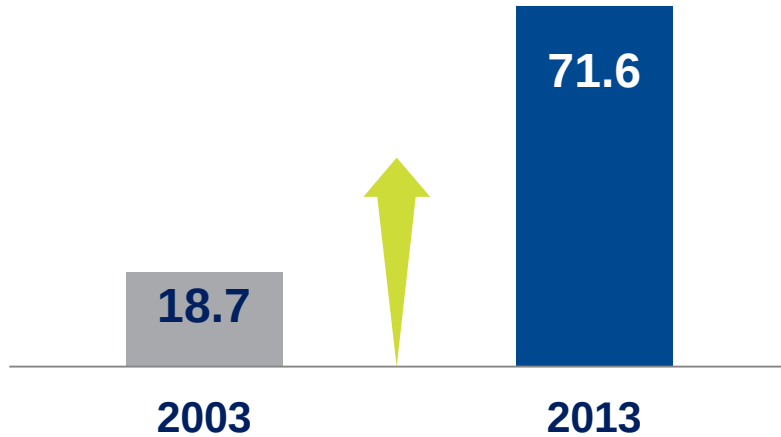
The Four C's

- **Customer**
- **Concentration**
- **Cost**
- **Cash**

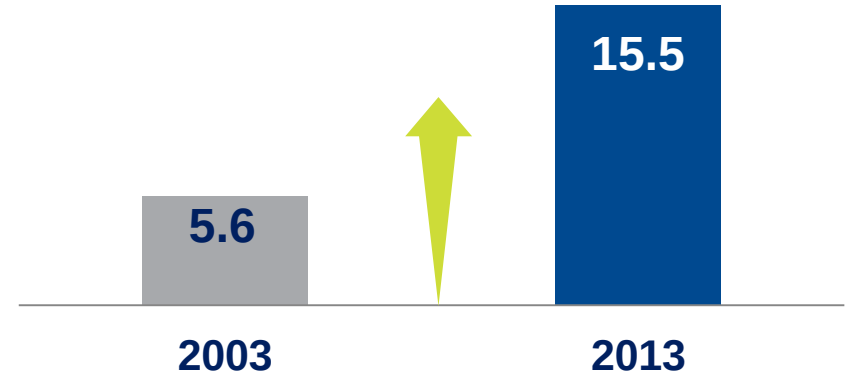


Consistent long-term delivery

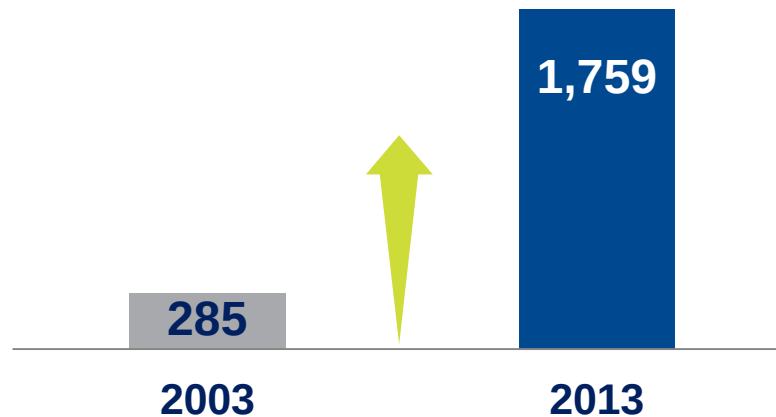
Order book (£bn)



Revenue (£bn)



Profit (£m)



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2014

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Summary

- **2013 – a good year**
- **The 4 Cs – more to do on cost**
- **2014 – a pause before growth resumes**

Rolls-Royce Holdings plc

2013 Full year results

Mark Morris, Chief Financial Officer

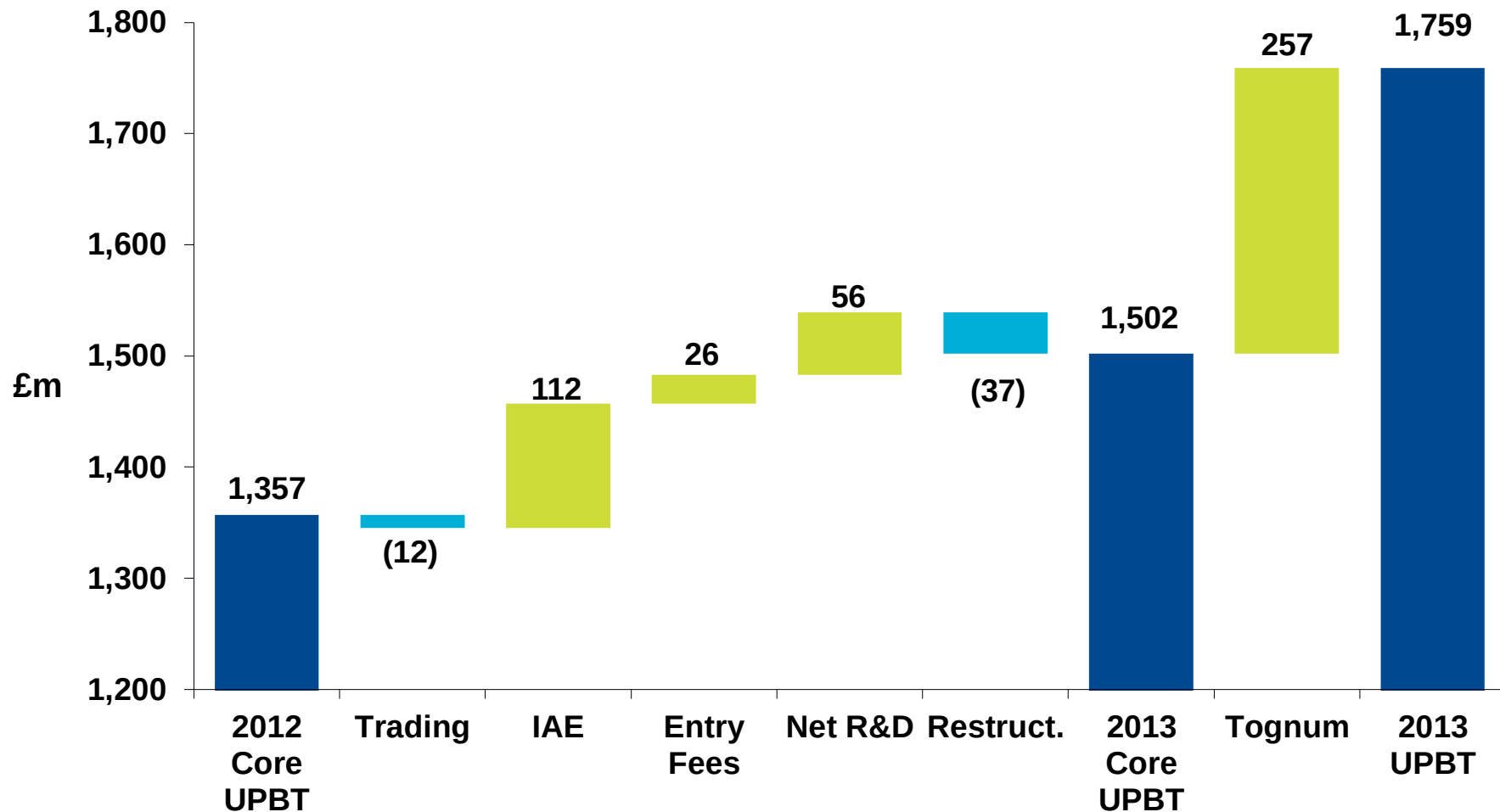


Group highlights

	<u>Including Tognum</u>			<u>Excluding Tognum</u>		
	2012	2013	+/-	2012	2013	+/-
Order book (£bn)	60.1	71.6	19%	60.1	70.0	16%
Revenue (£m)	12,209	15,505	27%	12,209	12,919	6%
Profit before tax (£m)	1,434	1,759	23%	1,357	1,502	11%
Return on sales	12.2%	11.8%	-0.4pp	11.6%	12.1%	0.5pp
Base cash (£m)	137	359		137	312	
Earnings per share	59.59	65.59	10%			
Shareholder payment	19.5p	22.0p	13%			

All figures and commentary reflects the underlying performance, unless otherwise noted.

Group profit growth

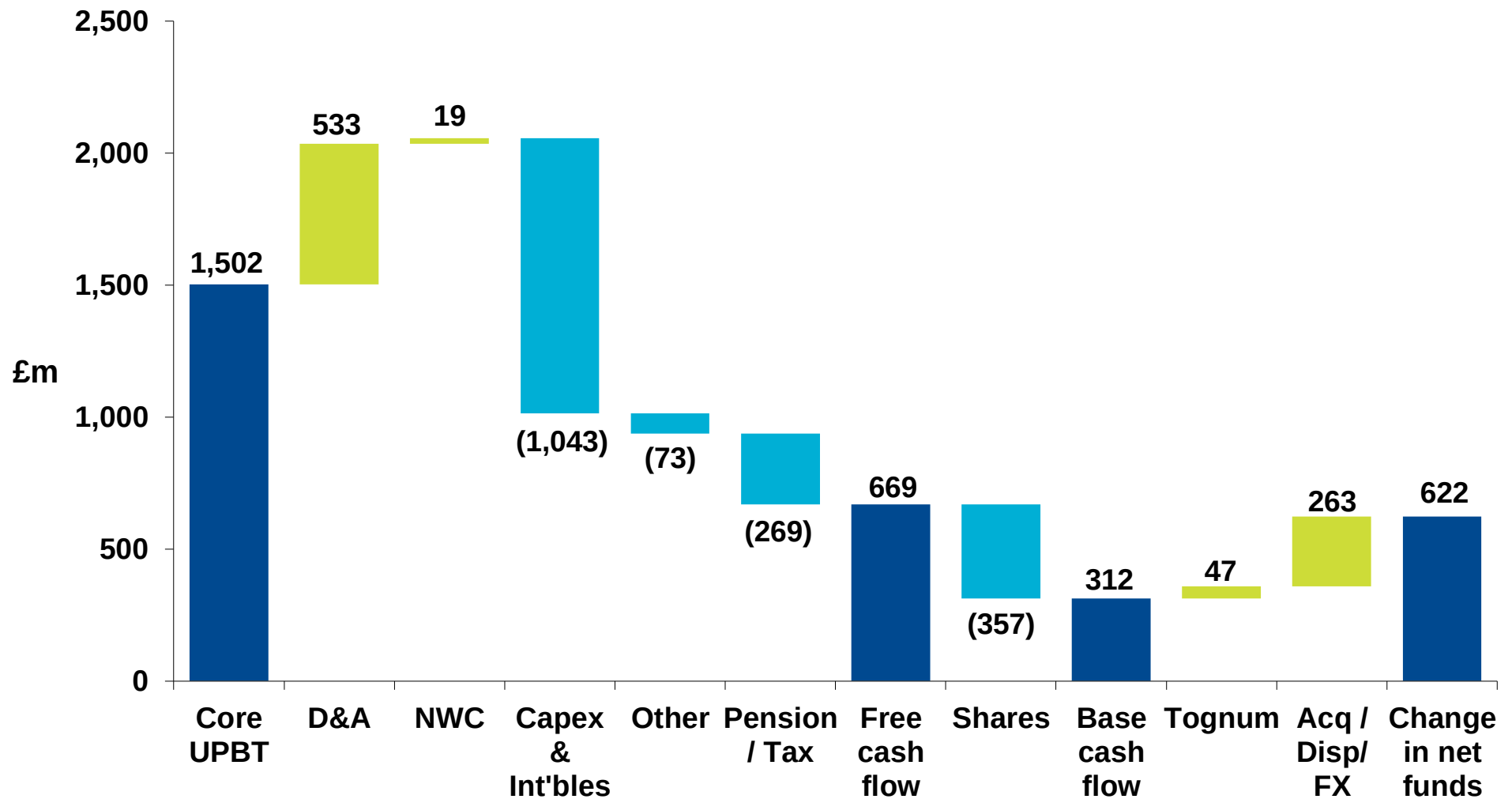


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Group cash flow



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Civil Aerospace

	2012	2013	+ / -
Order book (£bn)	49.6	60.3	22%
Revenue (£m)	6,437	6,655	3%
OE Revenue (£m)	2,934	3,035	3%
Services Revenue (£m)	3,503	3,620	3%
Profit before financing (£m)	743	844	14%
Return on sales	11.5%	12.7%	1.2pp

Note: Underlying figures

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Defence Aerospace

	2012	2013	+ / -
Order book (£bn)	5.2	4.1	-21%
Revenue (£m)	2,417	2,591	7%
OE Revenue (£m)	1,231	1,385	13%
Services Revenue (£m)	1,186	1,206	2%
Profit before financing (£m)	395	438	11%
Return on sales	16.3%	16.9%	0.6pp

Note: Underlying figures

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Marine

	2012	2013	+ / -
Order book (£bn)	4.0	4.0	1%
Revenue (£m)	2,249	2,527	12%
OE Revenue (£m)	1,288	1,438	12%
Services Revenue (£m)	961	1,089	13%
Profit before financing (£m)	294	281	-4%
Return on sales	13.1%	11.1%	-2.0pp

Note: Underlying figures

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Energy

	2012	2013	+ / -
Order book (£bn)	1.3	1.5	14%
Revenue (£m)	962	1,048	9%
OE Revenue (£m)	344	415	21%
Services Revenue (£m)	618	633	2%
Profit before financing (£m)	19	26	37%
Return on sales	2.0%	2.5%	0.5pp

Note: Underlying figures

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Power Systems

	2012	2013	+ / -
Order book (£bn)	1.8	1.9	6%
Revenue (£m)	2,846	2,831	-1%
OE Revenue (£m)	1,938	2,004	3%
Services Revenue (£m)	908	827	-9%
Profit before financing (£m)	293	294	0.3%
Return on sales	10.3%	10.4%	0.1pp

Note: Underlying figures

Shown as if Tognum and Bergen had been fully consolidated in 2012 to allow a like-for-like comparison.

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Group financial strength

Credit Rating

- S&P: A, stable outlook
- Moody's: A3, stable outlook
- Maintain investment grade rating

Strong Liquidity

- Total liquidity £5.6bn

Debt Maturities

- Spread to 2026
- No material refinancing 2014

2014 Guidance

Revenue

Profit

Cash

Aerospace

Civil

Modest Growth

Good Growth

Defence

15-20% Reduction

15-20% Reduction

Marine & Industrial Power Systems

Marine

Modest Reduction

Modest Growth

Energy & Nuclear

Good Growth

Good Growth

Power Systems

Modest Growth

Good Growth

Group

Flat

Flat

Similar

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2014 Additional Guidance

Additional Guidance

Phasing	profit & cash H2 biased
CapEx	flat (around £700m)
R&D	modest spend increase; higher P&L charge
Tax	underlying rate around 24%

Final Thoughts

- **Order book underpins future growth**
- **Good progress on customer and inventory before the ramp-up**
- **More to do on cost & cash**
- **Payments to shareholders up 13%**

Q&A

John Rishton

Chief Executive

Mark Morris

Chief Financial Officer

James Guyette

President, Rolls-Royce North America Inc.

Colin Smith

Director, Engineering & Technology

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