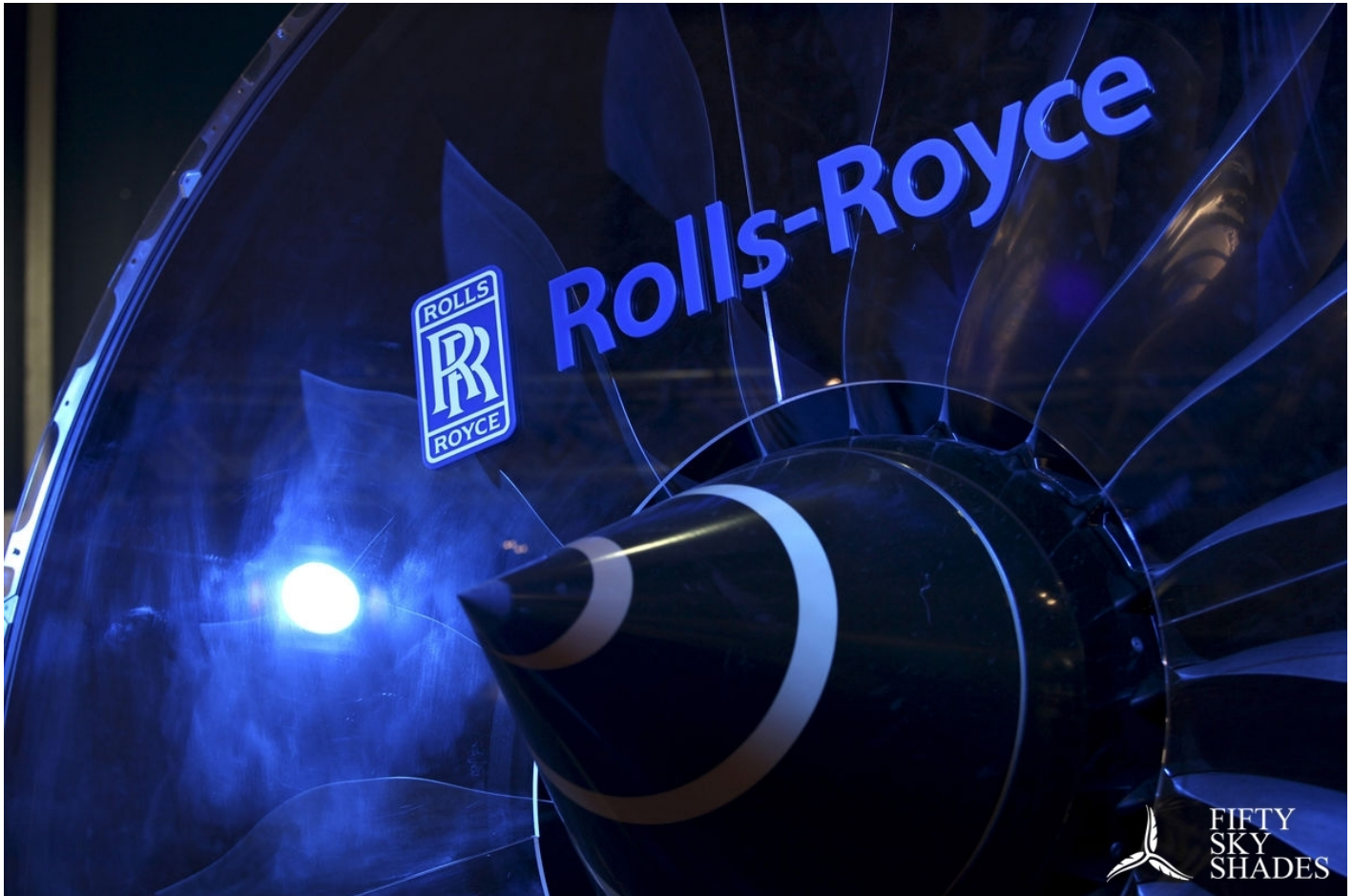




ROLLS-ROYCE ANNOUNCES NEW SENIOR MANAGEMENT STRUCTURE

News / Personalities



Rolls-Royce is today announcing a **new senior management structure** as the first step in the wide-ranging restructuring announced on 12 November 2015. The move will simplify the organisation, drive operational excellence and reduce cost; ensuring Rolls-Royce is better placed to deliver long-term profitable growth.

The current divisional structure of Aerospace and Land & Sea will end, removing a layer of senior management. From 1 January 2016, Rolls-Royce will operate as five market facing businesses, with the Presidents of Civil Aerospace, Defence Aerospace, Marine, Nuclear and Power Systems reporting directly to the Chief Executive.

Our Civil Aerospace business will comprise of our merged Civil Large Engines (CLE) and our Civil Small and Medium Engines (CSME) businesses. Eric Schulz (currently President of CLE) will become President of Civil Aerospace. Chris Cholerton will continue as President Defence, Mikael Makinen will continue as President Marine, Harry Holt (currently Group Operations Strategy Director), has been appointed as President of Nuclear with effect from 1 January 2016. Dr Ulrich Dohle will continue as CEO of Rolls-Royce Power Systems. The executive team will be further

strengthened next year with the appointment of a new Chief Operating Officer.

The new structure will clarify executive accountabilities, intensify leadership focus on operational performance and allow Rolls-Royce to build on its world class engineering capabilities. It is part of a transformation programme designed to make Rolls-Royce a more resilient business and generate incremental gross cost savings of £150-200m per annum, with benefits accruing from 2017. A further update on the cost and range of the programme will be given in February 2016.

Warren East, Chief Executive, said:

“The changes we are announcing today are the first important steps in driving operational excellence and returning Rolls-Royce to its long-term trend of profitable growth. This is a company with world-class engineering capability, strong market positions and exceptional long-term prospects.”

As a consequence of these changes Tony Wood (President Aerospace) has decided to leave the company and Lawrie Haynes (President Land & Sea) has decided to retire. Both will remain with the business into 2016 in order to assist with the transition to the new structure.

Warren East said:

“Tony has been with Rolls-Royce for 15 years, during that time he has contributed to many of the company’s most significant achievements. Recently he has played a lead role in positioning our Aerospace businesses for growth, launching next generation technologies and driving cultural change. Lawrie has been with Rolls-Royce for six years in a number of senior leadership positions. He has played a critical role in focusing our Land and Sea businesses on growth markets. His deep knowledge of mission critical engineering, and particularly of the nuclear industry has been of great benefit to the company. I would like to thank both Tony and Lawrie for their excellent support since I became CEO. The Board and I wish them every success for the future.”

As part of our managed executive succession, Colin Smith will be moving from his role as Group Director of Engineering & Technology to be succeeded by Chris Barkey, currently Engineering Director of CLE. Colin Smith has been appointed Group President, with effect from 1 January 2016. Reporting to the Chief Executive, he will continue to be a member of the Board and will draw on his extensive knowledge and experience to advise and help the senior leadership team.

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