

ROLLS-ROYCE IS A PRE-EMINENT ENGINEERING COMPANY FOCUSED ON WORLD-CLASS POWER AND PROPULSION SYSTEMS.

Front cover

Cutaway image of a Trent XWB, the world's most efficient large aero engine.

This page

A Trent 1000 engine for the Boeing 787 Dreamliner is prepared for testing.



Financial highlights

Order book

£76,399m

2014: £73,674m

Free cash flow

£179m

2014: £447m

Underlying* revenue

£13,354m

2014: £13,864m

Reported** revenue

£13,725m

2014: £13,736m

Underlying* profit before tax

£1,432m

2014: £1,620m

Reported** profit before tax

£160m

2014: £67m

Underlying* earnings per share

58.7p

2014: 65.4p

Reported earnings per share

4.5p

2014: (3.9)p

Full year payment to shareholders

16.37p

2014: 23.1p

Net cash

£(111)m

2014: £666m

*Underlying explanation is in note 2 on page 122

**From continuing operations

All figures in the narrative of the Strategic Report are underlying unless otherwise stated

FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements. Any statements that express forecasts, expectations and projections are not guarantees of future performance and guidance may be updated from time to time. This report is intended to provide information to shareholders, and is not designed to be relied upon by any other party or for any other purpose, and the Company and its Directors accept no liability to any other person other than that required under English law. Latest information will be made available on the Group's website. By their nature, these statements involve risk and uncertainty, and a number of factors could cause material differences to the actual results or developments.

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GROUP AT A GLANCE

Rolls-Royce ship design

The Far Samson multi-function subsea service vessel is 121.5m long and 26m wide.

Group

The Group is organised into five customer-facing businesses: Civil Aerospace, Defence Aerospace, Power Systems, Marine and Nuclear.

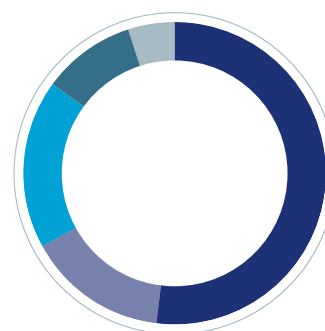
Underlying revenue

£13,354m

Underlying profit before tax

£1,432m

Underlying revenue mix



Civil Aerospace	52%
Defence Aerospace	15%
Power Systems	18%
Marine	10%
Nuclear	5%

Order book

£76.4bn

Invested in R&D

£1.2bn

Patents applied for

626

Countries

46

Engineers (year end)

15,690

Employees (year average)

50,500

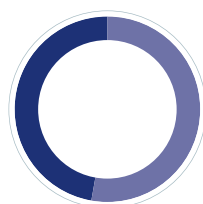
Civil Aerospace

Underlying revenue
£6,933m

Underlying profit*
£812m

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MORE INFORMATION

Underlying revenue mix



OE revenue	47%
Services revenue	53%

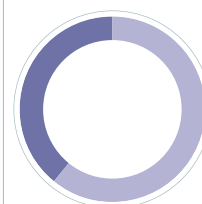
Defence Aerospace

Underlying revenue
£2,035m

Underlying profit*
£393m

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MORE INFORMATION

Underlying revenue mix



OE revenue	39%
Services revenue	61%

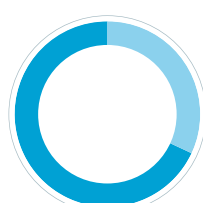
Power Systems

Underlying revenue
£2,385m

Underlying profit*
£194m

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Underlying revenue mix



OE revenue	68%
Services revenue	32%

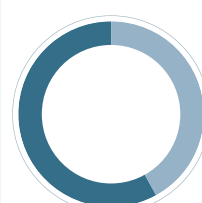
Marine

Underlying revenue
£1,324m

Underlying profit*
£15m

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Underlying revenue mix



OE revenue	58%
Services revenue	42%

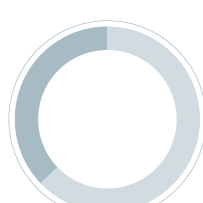
Nuclear

Underlying revenue
£687m

Underlying profit*
£70m

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MORE INFORMATION

Underlying revenue mix



OE revenue	37%
Services revenue	63%

*Underlying profit before financing and taxation