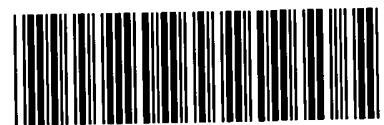


Registered number: 04706930

ROLLS-ROYCE GROUP PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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COMPANIES HOUSE

ROLLS-ROYCE GROUP PLC

COMPANY INFORMATION

DIRECTORS

Warren East
Colin Smith (resigned 4 May 2017)
David Smith (resigned 24 February 2017)
Stephen Daintith (appointed 7 April 2017)

COMPANY SECRETARY

Pamela Coles

REGISTERED NUMBER

04706930

REGISTERED OFFICE

62 Buckingham Gate
London
SW1E 6AT

ROLLS-ROYCE GROUP PLC

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ROLLS-ROYCE GROUP PLC

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

BUSINESS REVIEW

The Company did not trade during the year.

In the prior year the Company transferred 1,955,390 Rolls-Royce Holdings plc (RRHplc) shares, valued at £13,909k, to its parent company to satisfy share-based payments obligations.

In the prior year a revaluation loss of £15,323k was recognised in the income statement upon the sale of RRHplc shares and dividend income from shares in the Company's parent company was £1,034k.

As noted in the Directors' Report, on 2 December 2016 the share trust was transferred to the Company's parent company (RRHplc). This resulted in the transfer of all 6,854,216 RRHplc shares valued at their fair value of £45,306k to its parent company.

This report was approved by the board on

6 March 2018

and signed on its behalf.



**Pamela Coles
Secretary**

ROLLS-ROYCE GROUP PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to hold investments in its subsidiary companies. The Company was the sponsor of a share trust used to hold investments in its parent company RRHplc, which is listed on the London Stock Exchange, to fulfil the Rolls-Royce group's share-based payment plans to its employees. On 2 December 2016, the share trust, including all of the RRHplc shares held, was transferred to the parent company (RRHplc).

Rolls-Royce Group plc is a public limited company registered in England.

RESULTS AND DIVIDENDS

The prior year loss, after taxation, amounted to £14,294k.

No dividend was paid during the year (2016 – nil).

DIRECTORS

The directors who served during the year were:

Warren East
Colin Smith (resigned 4 May 2017)
David Smith (resigned 24 February 2017)
Stephen Daintith (appointed 7 April 2017)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Following their issuance of their audit report, KPMG LLP will be resigning as the company's auditor and therefore cease to hold office. In accordance with section 485 of the Act, the directors intend to appoint PricewaterhouseCoopers LLP as the company's auditor by following the resignation of KPMG LLP.

This report was approved by the board and signed on its behalf.


Pamela Coles
Secretary

Date: 6 March 2018

ROLLS-ROYCE GROUP PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROLLS-ROYCE GROUP PLC

Opinion

We have audited the financial statements of Rolls-Royce Group plc ("the company") for the year ended 31 December 2017 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jimmy Daboo (Senior statutory auditor)
for and on behalf of
KPMG LLP - Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
6 March 2018

ROLLS-ROYCE GROUP PLC

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

| | Note | 2017 £000 | 2016 £000 |
|--|------|--------------|--------------|
| Administrative expenses | | - | (5) |
| OPERATING LOSS | | - | (5) |
| Transfer of parent company shares held under trust | | - | (15,323) |
| LOSS BEFORE INTEREST | | - | (15,328) |
| Income from shares in group undertakings | | - | 1,034 |
| LOSS BEFORE TAXATION | | - | (14,294) |
| Tax on loss | 8 | - | - |
| LOSS FOR THE FINANCIAL YEAR | | - | (14,294) |

All amounts relate to continuing operations.

The notes on pages 10 to 23 form part of these financial statements.

ROLLS-ROYCE GROUP PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Note | 2017 £000 | 2016 £000 |
|--|-------------|----------------------|-----------------------|
| LOSS FOR THE FINANCIAL YEAR | | - | (14,294) |
| Revaluation of fixed asset investments | 4 | <u>-</u> | <u>4,632</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u><u>-</u></u> | <u><u>(9,662)</u></u> |

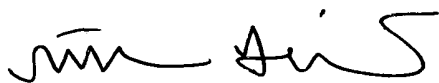
The notes on pages 10 to 23 form part of these financial statements.

ROLLS-ROYCE GROUP PLC
REGISTERED NUMBER: 04706930

BALANCE SHEET
AS AT 31 DECEMBER 2017

| | Note | £000 | 2017 £000 | £000 | 2016 £000 |
|-----------------------------------|------|--------------|------------------|------------------|--------------------|
| Assets | | | | | |
| Non-current assets | | | | | |
| Investments | 4 | | 2,275,380 | | 2,275,380 |
| Current assets | | | | | |
| Trade and other receivables | 5 | 9,635 | | 1,309,301 | |
| | | <u>9,635</u> | | <u>1,309,301</u> | |
| Total assets | | | <u>2,285,015</u> | | <u>3,584,681</u> |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 6 | (370,579) | | (1,670,245) | |
| Total liabilities | | | <u>(370,579)</u> | | <u>(1,670,245)</u> |
| Net assets | | | <u>1,914,436</u> | | <u>1,914,436</u> |
| Equity | | | | | |
| Called-up share capital | 7 | | 374,534 | | 374,534 |
| Share premium account | | | 16,028 | | 16,028 |
| Revaluation reserve | | | - | | - |
| Capital redemption reserve | | | 1,130,341 | | 1,130,341 |
| Retained earnings | | | <u>393,533</u> | | <u>393,533</u> |
| Equity shareholders' funds | | | <u>1,914,436</u> | | <u>1,914,436</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Stephen Daintith
 Director

Date: 6 March 2018

The notes on pages 10 to 23 form part of these financial statements.

ROLLS-ROYCE GROUP PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Company did not trade during the year and there were no movements in equity.

ROLLS-ROYCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006.

In these financial statements the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- related party transactions; and
- comparative period reconciliations for share capital.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

These financial statements have been prepared on the historical cost basis.

1.2 Group financial statements

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements.

1.3 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the company's net current liabilities of £360,944k (2016 – £360,944k) and so is dependent for its working capital on funds provided to it by Rolls-Royce Holdings plc, the parent undertaking of the Company.

Rolls-Royce Holdings plc has stated that its current policy is to ensure that the Company is managed so that it maintains adequate financial resources and is in a position to meet its financial obligations arising from its normal trading activities. Based on the Directors' assessment of the company's future financial requirements, the ability of Rolls-Royce Holdings plc to support the Company if necessary and the statement referred to above, the Directors consider that the Company will have sufficient financial resources to meet its obligations for the foreseeable future, that is for at least 12 months from the date of approval of these financial statements.

ROLLS-ROYCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1.4 Investments

Investments included in fixed assets are investments in subsidiary companies - these are held at cost less provision for impairment.

1.5 Financial instruments

IAS 39 requires the classification of financial instruments into separate categories for which the accounting treatment is different. The Company has classified its financial instruments as:

- Investments, other than investment in subsidiaries and unlisted investments, are classified as available for sale assets.
- Financial instruments are initially measured at fair value. Their subsequent measurement depends on their classification:
- Available for sale assets are held at fair value. Changes in fair value are taken to equity. On disposal of the related asset, the accumulated changes in value recorded in equity are included in the gain or loss recorded in the profit and loss account.

1.6 Share-based payments

The Company sponsored a share trust that holds shares in Rolls-Royce Holdings plc to fulfil share based payment obligations to employees of the Rolls-Royce group. The costs of share-based payments in respect of these awards are charged by the employing company and are treated as an increased investment by the Company's parent company. Any payments received from subsidiary undertakings in respect of these arrangements are treated as a reduction in the investment. As noted in the Directors' Report, on 2 December 2016 the share trust was transferred to the Company's parent company.

2. AUDITOR'S REMUNERATION

The fees for the audit of the company financial statements were £5k (2016 - £5k) and were paid by Rolls-Royce plc.

3. STAFF COSTS

The Company has no employees and the directors are not employed by this company. The Directors received £nil remuneration (2016 - £nil) from this company

ROLLS-ROYCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

4. FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies £000 | Total £000 |
|---------------------|--|------------------|
| At 31 December 2017 | <u>2,275,380</u> | <u>2,275,380</u> |
| At 31 December 2016 | <u>2,275,380</u> | <u>2,275,380</u> |

Subsidiary undertakings

| Company name | Address | Class of shares | % of class held |
|-----------------|--|-----------------|-----------------|
| Rolls-Royce plc | 62 Buckingham Gate, London, SW1E 6AT, England | Ordinary | 100 |

Indirectly held subsidiary and joint venture undertakings are listed on pages 16 to 23.

5. TRADE AND OTHER RECEIVABLES

| | 2017 £000 | 2016 £000 |
|------------------------------------|--------------|------------------|
| Amounts owed by group undertakings | <u>9,635</u> | <u>1,309,301</u> |

6. TRADE AND OTHER PAYABLES

| | 2017 £000 | 2016 £000 |
|------------------------------------|----------------|------------------|
| Amounts owed to group undertakings | <u>370,579</u> | <u>1,670,245</u> |

ROLLS-ROYCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7. SHARE CAPITAL

| | 2017 £000 | 2016 £000 |
|--|----------------|----------------|
| Allotted, called up and fully paid | | |
| 1,872,669,328 (2016 – 1,872,669,328) Ordinary shares of £0.20 each | 374,534 | 374,534 |
| 1- Ordinary A share of £0.20 | - | - |
| | <hr/> | <hr/> |
| | <u>374,534</u> | <u>374,534</u> |

The rights and obligations attaching to the different classes of shares are set out in the company's Articles of Association.

Ordinary shares - Holders of ordinary shares are entitled to receive the company's annual report. They are also entitled to attend and speak at general meetings of the company, and to exercise voting rights.

Ordinary A shares - Holders of ordinary A shares are not entitled to voting or dividend rights.

ROLLS-ROYCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8. TAXATION

| | 2017 £000 | 2016 £000 |
|---|--------------|--------------|
| Total tax on profit on ordinary activities | - | - |
| | 2017 £000 | 2016 £000 |
| Loss on ordinary activities before tax | - | (14,294) |
| Loss on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20%) | - | (2,859) |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | (531) |
| Non-taxable income | - | 3,392 |
| Group relief not paid for | - | (2) |
| Total tax charge | - | - |

The temporary differences associated with investments in subsidiaries, joint ventures and associates, for which a deferred tax liability has not been recognised, aggregate to £188 million (2016 £276 million). No deferred tax liability has been recognised on the potential withholding tax due to the remittance of undistributed profits as the Company is able to control the timing of such remittances and it is probable that consent will not be given in the foreseeable future.

ROLLS-ROYCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

9. EMOLUMENTS OF DIRECTORS

| | 2017 | | 2016 | |
|---|-------------------------------|-------------------------|-------------------------------|-------------------------|
| | Highest paid director £000 | Other directors £000 | Highest paid director £000 | Other directors £000 |
| Aggregate emoluments excluding deferred share plans | 2,448 | 3,366 | 2,089 | 2,464 |
| Aggregate amounts relating to deferred share plans | - | - | - | - |
| Aggregate value of Company contributions to Company defined contribution pensions schemes | - | - | - | - |
| | | | 2017 Number | 2016 Number |
| Number of directors with accruing retirement benefits: | | | | |
| Defined contribution schemes | | | - | - |
| Defined benefit schemes | | | - | 1 |
| Number of directors exercising share options | | | - | - |
| Number of directors receiving shares as part of long-term incentives schemes | | | 1 | - |

10. CONTROLLING PARTY

The ultimate parent undertaking and controlling party is Rolls-Royce Holdings plc, which is the parent undertaking of the largest group to consolidate these financial statements.

The registered office of Rolls-Royce Holdings plc and the address from which the consolidated financial statements are available to the public is 62 Buckingham Gate, London, SW1E 6AT.

ROLLS-ROYCE GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Subsidiaries

As at 31 December 2017, the companies listed below and on the following pages are indirectly held by Rolls-Royce Group plc. The financial year end of each company is 31 December unless otherwise indicated.

| Company name | Address | Class of shares | % of class held |
|--|--|-------------------------|-----------------|
| A.F.C. Wultex Limited * | Derby 1 | Ordinary | 90 |
| A.P.E. - Allen Gears Limited * | Derby 1 | Ordinary | 100 |
| Aeromaritime America, Inc. | M&H Agent Services, Inc., 1850 North Central Avenue, Suite 2100, Phoenix, Arizona 85004, United States | Common | 100 |
| Aeromaritime Mediterranean Limited | 7 Industrial Estate, Hal Far, Birzebbuga, BBG 3000, Malta | Ordinary | 100 |
| Allen Power Engineering Limited * | Derby 1 | Ordinary | 100 |
| Amalgamated Power Engineering Limited * | Derby 1 | Deferred Ordinary | 100 100 |
| AMTEC Corporation | Corpdirect Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904, United States | Common | 100 |
| AMTEC On Wing Support, LLC | 8081 NW 31st Street, Miami, Florida 33152, United States | Partnership (no equity) | 100 |
| Bergen Engines AS | Hordvikneset 125, N-5108, Hordvik, Bergen 1201, Norway | Ordinary | 100 |
| Bergen Engines Bangladesh Private Limited | Green Granduer, 6th Floor, Plot no.58 E, Kamal Ataturk Avenue Banani, C/A Dhaka, 1213, Bangladesh | Ordinary | 100 |
| Bergen Engines BV | Werfdijk 2, 3195HV Pernis, Rotterdam, Netherlands | Ordinary | 100 |
| Bergen Engines Denmark A/S | Værftsvej 23, DK-9000 Ålborg, Denmark | Ordinary | 100 |
| Bergen Engines India Private Limited 3 | 52-b, 2nd Floor, Okhla Industrial Estate, Phase III, New Delhi 110020, India | Ordinary | 100 |
| Bergen Engines Limited | Derby 1 | Ordinary | 100 |
| Bergen Engines PropertyCo AS | Hordvikneset 125, N-5108, Hordvik, Bergen 1201, Norway | Ordinary | 100 |
| Bergen Engines S.L. | Calle Dinamarca s/n (esquina Calle Alemania), Poligono Industrial de Constanti, 43120 Constanti, Tarragona, Spain | Social Participation | 100 |
| Bergen Engines S.r.l. | Via Castel Morrone 13, 16161, Genoa, Italy | Social Capital | 100 |
| Bristol Siddeley Engines Limited * | Derby 1 | Ordinary | 100 |
| Brown Brothers & Company Limited * | Taxiway, Hillend Industrial Estate, Dalgety Bay, Dunfermline, Fife, KY11 9JT, Scotland | Ordinary | 100 |
| C.A. Parsons & Company Limited * | Derby 1 | Ordinary | 100 |
| Celsius Amtec Corporation | Corpdirect Agents, Inc., 1200 South Pine Island Road, Miami, Florida 33324, United States | Common | 100 |
| Celsius SPV I, Inc. | The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States | Common | 100 |
| Celsius SPV II, Inc. | The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States | Common | 100 |
| Composite Technology and Applications Limited | Derby 1 | Ordinary | 100 |
| Data Systems & Solutions, LLC | Wilmington 2 | Partnership (no equity) | 100 |
| Deeside Titanium Limited * | Derby 1 | Ordinary | 82.5 |
| Derby Cogeneration Limited * | Derby 1 | Ordinary | 100 |
| Derby Specialist Fabrications Limited * | Derby 1 | Ordinary | 100 |
| Europea Microfuzioni Aerospaziali S.p.A. | Zona Industriale ASI, 83040 Morra de Sanctis, Avellino, Italy | Ordinary | 100 |
| Fluid Mechanics LLC | Wilmington 2 | Partnership (no equity) | 100 |
| Heartlands Power Limited * | Derby 1 | Ordinary | 100 |
| Heaton Power Limited * | Derby 1 | Ordinary | 100 |
| Industria de Tuberías Aeronáuticas México S.A. de C.V. | Acceso IV, No.6B, Zona Industrial Benito Juárez, Querétaro, 76120, Mexico | Class A | 100 |
| Industria de Tuberías Aeronáuticas S.A.U. | Pabellón Industrial, Torrelarrgoiti, Parcela 5H, Naves 7 a 10, Zamudio, Spain | Ordinary | 100 |
| Industria de Turbo Propulsores S.A. | Parque Tecnológico Edificio 300, 48170 Zamudio, Vizcaya, Spain | Ordinary | 100 |
| ITP Engines UK Limited | The Whittle Estate, Cambridge Road, Whetstone, Leicester, LE8 6LH, England | Ordinary | 100 |
| ITP Externals India Private Ltd | Plot 60/A, IDA Gandhi Nagar, Hyderabad, 500037, India | Ordinary | 100 |
| ITP Externals S.L.U. | Pabellón Industrial, Polígono Ugaldeguren I, PIIIA, Pab 1-2 Zamudio, Spain | Ordinary | 100 |

* Dormant entity.

1 Moor Lane, Derby, DE24 8BJ, England.

2 Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, United States.

3 Reporting year end is 31 March.

ROLLS-ROYCE GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

| Company name | Address | Class of shares | % of class held |
|--|---|--------------------------------------|-----------------|
| ITP Ingeniería y Fabricación S.A. de C.V. | Acceso IV, No.6D, Zona Industrial Benito Juárez, Querétaro, 76120, Mexico | Class A Class B | 100 100 |
| ITP México S.A. de C.V. | Acceso IV, No.6, Zona Industrial Benito Juárez, Querétaro, 76120, Mexico | Class A Class B | 100 100 |
| ITP México Fabricación S.A. de C.V. | Acceso IV, No.6, Zona Industrial Benito Juárez, Querétaro, 76120, Mexico | Class A | 100 |
| ITP Next Generation Turbines S.L.U. | Parque Tecnológico Edificio 300, 48170 Zamudio, Vizcaya, Spain | Ordinary | 100 |
| John Thompson Cochran Limited * | Taxiway, Hillend Industrial Estate, Dalgety Bay, Dunfermline, Fife, KY11 9JT, Scotland | 6% Cumulative Preference Ordinary | 100 100 |
| John Thompson Limited * | Derby 1 | Ordinary | 100 |
| Kamewa AB * | Box 1010, S-68129, Kristinehamn, Sweden | Ordinary | 100 |
| Kamewa do Brazil Equipamentos Marítimos Limitada | 401 Rua Visconde de Pitaja 433, Rio de Janeiro, Brazil | Quotas | 100 |
| Kamewa Holding AB * | Box 1010, S-68129, Kristinehamn, Sweden | Ordinary | 100 |
| Karl Maybach-Hilfe GmbH | Maybachplatz 1, 88045, Friedrichshafen, Germany | Capital Stock | 100 |
| L'Orange Fuel Injection (Ningbo) Co, Limited | #3 Hall, No.55 South Qihang Road, Yinzhou Economic Development Zone, Ningbo City, 315145, China | Capital Stock | 100 |
| L'Orange Fuel Injection Trading (Suzhou) Co. Limited | Suite 306, 23-B Times Square, Huachi Street, SIP Suzhou 215021, China | Capital Stock | 100 |
| L'Orange GmbH | Porschestrasse 8, 70435, Stuttgart, Germany | Capital Stock | 100 |
| L'Orange Unterstützungskasse GmbH | Rudolph-L'Orange-Strasse 1, 72293 Glatten, Germany | Capital Stock | 100 |
| MTU Africa (Proprietary) Limited | Corner Marconi Road and 3rd Street, Montague Gardens, Western Cape, 7441, South Africa | Capital Stock | 100 |
| MTU America Inc. | Wilmington 2 | Ordinary | 100 |
| MTU Asia PTE Limited | 10 Tukang Innovation Drive, Singapore 618302 | Ordinary | 100 |
| MTU Benelux B.V. | Merwedestraat 86, 3313 CS, Dordrecht, Netherlands | Ordinary | 100 |
| MTU China Company Limited | Room 1704A, No. 1155 Fang Dian Road, Puddong New Area, Shanghai 201204, China | Ordinary | 100 |
| MTU do Brasil Limitada | Via Anhanguera, KM 29203, 05276-000 Sao Paulo - SP, Brazil | Ordinary | 100 |
| MTU Engineering (Suzhou) Company Limited | 9 Long Yun Road, Suzhou Industrial Park, Suzhou 215024, Jiang Su, China | Ordinary | 100 |
| MTU France S.A.S. | 8/10 rue Rosa Luxembourg-Parc des Bellevues, Immeuble Colorado 95610 Erangy-sur-Oise, France | Ordinary | 100 |
| MTU Friedrichshafen GmbH | Maybachplatz 1, 88045, Friedrichshafen, Germany | Capital Stock | 100 |
| MTU Hong Kong Limited | Room 1006, 10/F, Hang Seng Tsimshatsui Building, 18 Carnarvon Road, Tsimshatsui, Kowloon, Hong Kong | Ordinary | 100 |
| MTU Ibérica Propulsión y Energía S.L. | Calle Copérnico 26-28, 28823 Costada, Madrid, Spain | Ordinary | 100 |
| MTU India Private Limited 3 | HM Geneva House, Unit No.303, 3rd Floor, No.14 Cunningham Road, Bangalore, KA 560052, India | Ordinary | 100 |
| MTU Israel Limited | 6 Meir Ariel Street, Natanya, 4250574, Israel | Ordinary | 100 |
| MTU Italia S.r.l. | Via Aurelia Nord, 328, 19021 Arcola (SP), Italy | Capital Stock | 100 |
| MTU Japan Co. Limited | Resorttrust Building 4-14-3, Nishitenma Kita-ku, Osaka, Japan | Ordinary | 100 |
| MTU Korea Limited | 23rd Floor, Olive Tower, 41 Sejongdaero 9 gil, Junggu, 100-737 Seoul, Republic of Korea | Ordinary | 100 |
| MTU Middle East FZE | S3B5SR06, Jebel Ali Free Zone, P.O. Box 61141, Dubai, United Arab Emirates | Ordinary | 100 |
| MTU Motor Türbin Sanayi ve Ticaret. A.Ş. | Hatıra Sokak, No. 5, Ömerli Mahallesi, 34555 Arnavutköy, Istanbul, Turkey | Ordinary | 100 |
| MTU Onsite Energy GmbH | Dasinger Strasse 11, 86165, Augsburg, Germany | Capital Stock | 100 |
| MTU Onsite Energy Systems GmbH | Rotthofer Strasse 8, 94099 Ruhstorf a.d. Rott, Germany | Capital Stock | 100 |
| MTU Polska Sp. z o.o. | Ul. Śląska, Nr 9, Raum, Ort Stargard Szczeciński, Plz: 73-110, Poland | Ordinary | 100 |
| MTU Reman Technologies GmbH | Friedrich-List-Strasse 8, 39122 Magdeburg, Germany | Capital Stock | 100 |
| MTU Rus Limited Liability Company | Shabolovka Street 2, 119049, Moscow, Russian Federation | Ordinary | 100 |
| MTU South Africa (Proprietary) Limited | Corner Marconi Road and 3rd Street, Montague Gardens, Western Cape, 7441, South Africa | Ordinary | 100 |

* Dormant entity.

1 Moor Lane, Derby, DE24 8BJ, England.

2 Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, United States.

3 Reporting year end is 31 March.

ROLLS-ROYCE GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

| Company name | Address | Class of shares | % of class held |
|---|---|---------------------------------|-----------------|
| MTU UK Limited | Derby 1 | Ordinary | 100 |
| Navis Consult d.o.o. | Ul. Bartola Kašića 5/4, HR-51000, Rijeka, Croatia | Ordinary | 75 |
| NEI International Combustion Limited * | Derby 1 | Ordinary | 100 |
| NEI Mining Equipment Limited * | Derby 1 | Ordinary | 100 |
| NEI Nuclear Systems Limited * | Derby 1 | Ordinary | 100 |
| NEI Overseas Holdings Limited * | Derby 1 | Ordinary | 100 |
| NEI Parsons Limited * | Derby 1 | Ordinary | 100 |
| NEI Peebles Limited * | Derby 1 | Ordinary | 100 |
| NEI Power Projects Limited * | Derby 1 | Ordinary | 100 |
| NEI Services Limited * | Derby 1 | Ordinary | 100 |
| Nightingale Insurance Limited | Malson Trinity, Trinity Square, St. Peter Port, GY1 4AT, Guernsey | Ordinary | 100 |
| PKMJ Technical Services, Inc. | Wilmington 2 | Ordinary | 100 |
| Power Jets (Research and Development) Limited * | The Whittle Estate, Cambridge Road, Whetstone, Leicester, LE8 6LH, England | Ordinary | 100 |
| Powerfield Limited * | Derby 1 | Ordinary | 100 |
| Precision Casting Bilbao S.A.U. | Calle El Barracón 1, Baracaldo, Spain | Ordinary | 100 |
| Prokura Diesel Services (Proprietary) Limited * | * Corner Marconi Road and 3rd Street, Montague Gardens, Western Cape, 7441, South Africa | Ordinary | 100 |
| PT MTU Indonesia | Secure Building Blok B, Jl. Raya Protokol Halim, Perdanakusuma, Jakarta, 13610, Indonesia | Ordinary | 100 |
| PT Rolls-Royce | Mid Plaza 2, Lantai 16 Jl. Jenderal Sudirman 10-11, Jakarta, Pusat, 10220, Indonesia | Ordinary | 100 |
| Rallyswift Limited * | Derby 1 | Ordinary | 100 |
| Reyrolle Belmos Limited * | Taxiway, Hillend Industrial Estate, Dalgety Bay, Dunfermline, Fife, KY11 9JT, Scotland | Ordinary | 100 |
| Rolls-Royce (Ireland) Unlimited Company * | Ulster International Finance, 1st Floor IFSC House, IFSC, Dublin 1, Ireland | Ordinary | 100 |
| Rolls-Royce (Thailand) Limited | 900, 11th Floor Tonson Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok, Thailand | Ordinary | 100 |
| Rolls-Royce AB | Box 1010, S-68129, Kristinehamn, Sweden | Ordinary | 100 |
| Rolls-Royce Aero Engine Services Limited * | Derby 1 | Ordinary | 100 |
| Rolls-Royce Asia Limited | G/F, No 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong | Ordinary | 100 |
| Rolls-Royce Australia Pty Limited | Suite 102, 2-4 Lyonpark Road, Macquarie Park, NSW 2113, Australia | Ordinary | 100 |
| Rolls-Royce Australia Services Pty Limited | Suite 102, 2-4 Lyonpark Road, Macquarie Park, NSW 2113, Australia | Ordinary | 100 |
| Rolls-Royce Brasil Limitada | Rua drive Cinclnato Braga No. 47, Planalto District, São Bernardo do Campo, 09890-900, Brazil | Quotas | 100 |
| Rolls-Royce Canada Limited | 9500 Côte de Liesse, Lachine, Québec H8T 1A2, Canada | Common Stock | 100 |
| Rolls-Royce Civil Nuclear Canada Limited | 597 The Queensway, Peterborough Ontario K9J 7J6, Canada | Class A Preferred Common Shares | 100 |
| Rolls-Royce Civil Nuclear S.A.S. | 23 chemin du Vieux Chêne, 38240, Meylan, France | Ordinary | 100 |
| Rolls-Royce Commercial (Beijing) Co., Limited | 305-306 Indigo Building 1, 20 Jiuxianqiao Road, Beijing, 100016, China | Registered Capital | 100 |
| Rolls-Royce Commercial Aero Engines Limited * | Derby 1 | Ordinary | 100 |
| Rolls-Royce Control Systems Holdings Co | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce Controls and Data Services (NZ) Limited | Level 7 Bayleys Building, 36 Brandon Street, Wellington, 6011, New Zealand | Ordinary | 100 |
| Rolls-Royce Controls and Data Services (UK) Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce Controls and Data Services, Inc. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce Controls and Data Services Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce Corporation | Wilmington 2 | Common Stock | 100 |

* Dormant entity.

1 Moor Lane, Derby, DE24 8BJ, England.

2 Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, United States.

3 Reporting year end is 31 March.

ROLLS-ROYCE GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

| Company name | Address | Class of shares | % of class held |
|--|--|--|-------------------|
| Rolls-Royce Côte d'Ivoire Sarl | 7 Boulevard Latrille, Abidjan-Cocody, 25 BP 945, Abidjan 25, Côte d'Ivoire | Ordinary | 100 |
| Rolls-Royce Crosspointe LLC | Wilmington 2 | Partnership (no equity) | 100 |
| Rolls-Royce de Venezuela S.A. * | Avenida 3E, entre Calles 78 y 79, Torre Empresarial Claret, Piso 10, Oficina 10-3, Sector Valle Frio., Maracaibo, Estado Zulia, Venezuela | Registered Shares | 100 |
| Rolls-Royce Defense Products and Solutions, Inc. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce Defense Services, Inc. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce Deutschland Ltd & Co KG | Eschenweg 11, 15827 Blankenfelde-Mahlow, Germany | Ordinary | 100 |
| Rolls-Royce Energy Angola, Limitada * | Rua Rei Katyavala, Edifício Rei Katyavala, Entrada B, Piso 8, Luanda, Angola | Quota | 100 |
| Rolls-Royce Energy Systems Inc. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce Engine Controls Holdings Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce Engine Services Holdings Co. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce Engine Services Limitada Inc. * | Bldg. 06 Berthaphil Compound, Jose Abad Santos Avenue, Clark Special Economic Zone, Clark, Pampanga, Philippines | Capital Stock | 100 |
| Rolls-Royce Erste Beteiligungs GmbH | Eschenweg 11, 15827 Blankenfelde-Mahlow, Germany | Capital Stock | 100 |
| Rolls-Royce Finance Company Limited | Derby 1 | Deferred Ordinary | 100 100 |
| Rolls-Royce Finance Holdings Co. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce Fuel Cell Systems Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce General Partner Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce High Temperature Composites, Inc. | Corporation Service Company, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, California 95833, United States | Ordinary | 100 |
| Rolls-Royce Holdings Canada Inc. | 9500 Côte de Liesse, Lachine, Québec H8T 1A2, Canada | Common C | 100 |
| Rolls-Royce India Limited *3 | Derby 1 | Ordinary | 100 |
| Rolls-Royce India Private Limited 3 | Birla Tower West, 2nd Floor 25, Barakhamba Road, New Delhi, 110001, India | Equity | 100 |
| Rolls-Royce Industrial & Marine Power Limited * | Derby 1 | Ordinary | 100 |
| Rolls-Royce Industrial Power (India) Limited *3 | Derby 1 | Ordinary | 100 |
| Rolls-Royce Industrial Power (Overseas Projects) Limited * | Derby 1 | Ordinary | 100 |
| Rolls-Royce Industrial Power Engineering (Overseas Projects) Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce Industrial Power Investments Limited * | Derby 1 | 2.8% cumulative redeemable preference 4.9% cumulative preference Ordinary | 100 100 100 |
| Rolls-Royce Industries Limited * | Derby 1 | Ordinary | 100 |
| Rolls-Royce International Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce International LLC | Office 41 N, Lit 32-34 Nevsky Prospect, St. Petersburg, 191186, Russia | Ordinary | 100 |
| Rolls-Royce International s.r.o. | Pobřežní 620/3, Postal code 186 00, Karlín - Prague 8, Czech Republic | Ordinary | 100 |
| Rolls-Royce Italia S.r.l. | Via Castel Morrone 13, 16161, Genoa, Italy | Ordinary | 100 |
| Rolls-Royce Japan Co., Limited | 31st Floor, Kasumigaseki Building, 3-2-5 Kasumigaseki, Chiyoda-Ku, Tokyo, 100-6031, Japan | Ordinary | 100 |
| Rolls-Royce JSF Holdings Inc. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce Korea Limited | 197 Noksan SanEop Buk-Ro (Songjeong-dong), Gangseo- gu, Busan 46753, Republic of Korea | Ordinary | 100 |
| Rolls-Royce Leasing Limited | Derby 1 | Ordinary | 100 |

* Dormant entity.

1 Moor Lane, Derby, DE24 8BJ, England.

2 Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, United States.

3 Reporting year end is 31 March.

ROLLS-ROYCE GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

| Company name | Address | Class of shares | % of class held |
|--|--|-----------------|-----------------|
| Rolls-Royce Malaysia Sdn. Bhd. | Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia | Ordinary | 100 |
| Rolls-Royce Marine A/S | Ostre Havnepromenade 34, 9000, Aalborg, Denmark | Ordinary | 100 |
| Rolls-Royce Marine AS | Borgundvegen 340, Ålesund, 6009, Norway | Ordinary | 100 |
| Rolls-Royce Marine Benelux BV | Werfdijk 2, 3195 HV Pernis, Rotterdam, Netherlands | Ordinary | 100 |
| Rolls-Royce Marine Chile S.A. | Alcantra 200, Office 1303, Las Condes, Santiago, Chile | Ordinary | 100 |
| Rolls-Royce Marine Deutschland GmbH | Fährstiege 9, 21107, Hamburg, Germany | Ordinary | 100 |
| Rolls-Royce Marine Electrical Systems Limited * | Derby 1 | Ordinary | 100 |
| Rolls-Royce Marine España S.A. | Calle Dinamarca s/n (esquina Calle Alemania), Polígono Industrial de Constanti, 43120 Constanti, Tarragona, Spain | Ordinary | 100 |
| Rolls-Royce Marine France SARL | 122 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France | Ordinary | 100 |
| Rolls-Royce Marine Hellas S.A. | 25 Atki Poseidonos str. & Makrigianni str., Moschato, Athens, GR-18344, Greece | Ordinary | 100 |
| Rolls-Royce Marine Hong Kong Limited | G/F, No 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong | Ordinary | 100 |
| Rolls-Royce Marine India Private Limited 3 | Birla Tower West, 2nd Floor, 25 Barakhamba Road, New Delhi, 110001, India | Ordinary | 100 |
| Rolls-Royce Marine Manufacturing (Shanghai) Limited | No.1 Xuanzhong Road, Xuanqiao Town, Pudong New Area, Shanghai, 201399, China | Ordinary | 100 |
| Rolls-Royce Marine North America, Inc. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce Marine Power Operations Limited Derby 1 | | Ordinary | 100 |
| Rolls-Royce Mexico Administration S. de R.L. de C.V. | Boulevard Adolfo Ruiz Cortinez 3642-403, Fracc Costa de Oro, Veracruz CP 94299 6, Mexico | Ordinary | 100 |
| Rolls-Royce Mexico S. de R.L. de C.V. | Boulevard Adolfo Ruiz Cortinez 3642-403, Fracc Costa de Oro, Veracruz CP 94299 6, Mexico | Ordinary | 100 |
| Rolls-Royce Military Aero Engines Limited *3 | Derby 1 | Ordinary | 100 |
| Rolls-Royce Money Purchase Pension Plan Limited *4 | Derby 1 | Ordinary | 100 |
| Rolls-Royce Namibia (Proprietary) Limited | 2nd Floor, Unit 4, LA Chambers, Ausspahn Plaza, Dr Agostinho Neto Road, Ausspahnplatz, Windhoek, Namibia | Ordinary | 100 |
| Rolls-Royce New Zealand Limited | Level 7 Bayleys Building, 36 Brandon Street, Wellington, 6011, New Zealand | Ordinary | 100 |
| Rolls-Royce Nigeria Limited * | Civic Towers, Plot GAI, Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria | Ordinary | 100 |
| Rolls-Royce North America (USA) Holdings Co. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce North America Holdings, Inc. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce North America, Inc. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce North America Ventures, Inc. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce North American Technologies, Inc. | Wilmington 2 | Common Stock | 100 |
| Rolls-Royce Nuclear Field Services France S.A.S. | ZA Notre-Dame, 84430, Mondragon, France | Ordinary | 100 |
| Rolls-Royce Nuclear Field Services, Inc. | Corporation Service Company, 80 State Street, Albany, New York 12207, United States | Common Stock | 100 |
| Rolls-Royce Oman LLC | Bait Al Reem, Business Office #131, Building No 81, Way No 3409, Block No 234, Al Thaqafa Street, Al Khuwair, PO Box 20, Postal Code 103, Oman | Cash shares | 100 |
| Rolls-Royce Operations (India) Private Limited | Birla Tower West, 2nd Floor, 25 Barakhamba Road, New Delhi, 110001, India | Ordinary | 100 |
| Rolls-Royce Overseas Holdings Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce Overseas Investments Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce Oy Ab | P.O. Box 220, Suojantie 5, 26101, Rauma, Finland | A shares | 100 |
| Rolls-Royce Placements Limited | Derby 1 | Ordinary | 100 |

* Dormant entity.

1 Moor Lane, Derby, DE24 8BJ, England.

2 Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, United States.

3 Reporting year end is 31 March.

4 Reporting year end is 28 February.

ROLLS-ROYCE GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

| Company name | Address | Class of shares | % of class held |
|---|---|---|-----------------|
| Rolls-Royce Poland Sp. z o.o. | Gniew 83-140, ul. Kopernika 1, Poland | Ordinary | 99.9 |
| Rolls-Royce Power Development Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce Power Engineering plc | Derby 1 | Ordinary | 100 |
| Rolls-Royce Power Systems AG | Maybachplatz 1, 88045, Friedrichshafen, Germany | Ordinary | 100 |
| Rolls-Royce Saudi Arabia Limited | PO Box 88545, Riyadh, 11672, Saudi Arabia | Cash shares | 100 |
| Rolls-Royce Singapore Pte. Limited | 1 Marina Boulevard, #28-00 One Marina Boulevard, 018989, Singapore | Ordinary | 100 |
| Rolls-Royce Technical Support Sarl | Centreda 1, Avenue Didier Daurat, 31700 Blagnac, Toulouse, France | Ordinary | 100 |
| Rolls-Royce Total Care Services Limited | Derby 1 | Ordinary | 100 |
| Rolls-Royce Turkey Power Solutions Industry and Trade Limited | Meclis-i Mebusan Cad No 1, Ekemen Han, 34427 Kabataş, Istanbul, Turkey | Cash shares | 100 |
| Rolls-Royce UK Pension Fund Trustees Limited * | Derby 1 | Ordinary | 100 |
| Rolls-Royce Vietnam Limited | Dông Xuyên Industrial Zone, Rach Dũa Ward, Vũng Tàu City, Bà Rịa-Vũng Tàu Province, Vietnam | Capital Stock | 100 |
| Rolls-Royce Zweite Beteiligungs GmbH | Eschenweg 11, 15827 Blankenfelde-Mahlow, Germany | Capital Stock | 100 |
| Ross Ceramics Limited | Derby 1 | Ordinary | 100 |
| Scandinavian Electric Gdansk Sp. z.o.o. | ul. Reja No.3, 80-404, Gdansk, Poland | Ordinary | 67 |
| Scandinavian Electric Systems do Brazil Limitada * | Rua Sao Jose 90, salas 1406 e 1407, Centro, Rio De Janeiro, Brazil | Quotas | 66 |
| Sharing in Growth UK Limited ** | Derby 1 | Limited by guarantee | 100 |
| Spare IPG 15 Limited * | Derby 1 | Ordinary | 100 |
| Spare IPG 18 Limited * | Derby 1 | Ordinary | 90 |
| Spare IPG 20 Limited * | Derby 1 | Ordinary | 100 |
| Spare IPG 21 Limited * | Derby 1 | Ordinary | 100 |
| Spare IPG 24 Limited * | Derby 1 | Ordinary | 100 |
| Spare IPG 27 Limited * | Taxiway, Hillend Industrial Estate, Dalgety Bay, Dunfermline, Fife, KY11 9JT, Scotland | 7% Cumulative Preference Ordinary | 100 |
| Spare IPG 32 Limited * | Derby 1 | 7.25% Cumulative Preference Ordinary | 100 |
| Spare IPG 4 Limited * | Derby 1 | Ordinary | 100 |
| The Bushing Company Limited * | Derby 1 | Ordinary | 100 |
| Timec 1487 Limited * | Derby 1 | Ordinary | 100 |
| Trigno Energy S.R.L. | Zona Industriale, San Salvo, 66050, Italy | Ordinary | 100 |
| Turborreactores S.A. de C.V. | Acceso IV, No.6, Zona Industrial Benito Juárez, Querétaro, 76120, Mexico | Class A Class B | 100 100 |
| Ulstein Holding AS | Sjøgata 80, 6065 Ulsteinvik, Norway | Ordinary | 100 |
| Ulstein Maritime Limited * | 96 North Bend Street, Coquitlam, British Columbia V3K 6H1, Canada | Common | 100 |
| Vessel Lifter, Inc. * | Corporation Service Company, 1201 Hays Street, Tallahassee, Florida 32301, United States | Common Stock | 100 |
| Vickers Pension Trustees Limited *3 | Derby 1 | Ordinary | 100 |
| Vinters Defence Systems Limited * | Derby 1 | Ordinary | 100 |
| Vinters Engineering Limited | Derby 1 | Ordinary | 100 |
| Vinters International Limited | Derby 1 | Ordinary | 100 |
| Vinters Limited | Derby 1 | Ordinary | 100 |
| Vinters-Armstrongs (Engineers) Limited * | Derby 1 | Ordinary | 100 |
| Vinters-Armstrongs Limited * | Derby 1 | Ordinary B | 100 |
| Wultex Machine Company Limited * | Derby 1 | Ordinary | 100 |

* Dormant entity.

** The entity is not included in the consolidation as Rolls-Royce plc does not have a beneficial interest in the net assets of the entity.

1 Moor Lane, Derby, DE24 8BJ, England.

2 Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, United States.

3 Reporting year end is 31 March.

ROLLS-ROYCE GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Joint Ventures and Associates

| Company name | Address | Class of shares | % of class held | Group interest held % |
|---|--|------------------------------|-----------------|-----------------------|
| Aero Gearbox International SAS ** | 18 Boulevard Louis Sequin, 92700 Colombes, France | Ordinary | 50 | 50 |
| Aerospace Transmission Technologies GmbH ** | Adelheidstrasse 40, D-88046, Friedrichshafen, Germany | Capital Stock | 50 | 50 |
| Airtanker Holdings Limited | Airtanker Hub, RAF Brize Norton, Carterton, Oxfordshire, OX18 3LX, England | Ordinary | 20 | 20 |
| Airtanker Services Limited | Airtanker Hub, RAF Brize Norton, Carterton, Oxfordshire, OX18 3LX, England | Ordinary | 22 | 22 |
| Alpha Leasing (US) (No.2) LLC | Wilmington 2 | Partnership (no equity held) | - | 50 |
| Alpha Leasing (US) (No.4) LLC | Wilmington 2 | Partnership (no equity held) | - | 50 |
| Alpha Leasing (US) (No.5) LLC | Wilmington 2 | Partnership (no equity held) | - | 50 |
| Alpha Leasing (US) (No.6) LLC | Wilmington 2 | Partnership (no equity held) | - | 50 |
| Alpha Leasing (US) (No.7) LLC | Wilmington 2 | Partnership (no equity held) | - | 50 |
| Alpha Leasing (US) (No.8) LLC | Wilmington 2 | Partnership (no equity held) | - | 50 |
| Alpha Leasing (US) LLC | Wilmington 2 | Partnership (no equity held) | - | 50 |
| Alpha Partners Leasing Limited | 62 Buckingham Gate, London, SW1E 6AT, England | Ordinary A | 100 | 50 |
| Anecom Aerotest GmbH | 122 Freiheitstrasse, Wildau, D-15745, Germany | Capital Stock | 24.9 | 24.9 |
| CFMS Limited | 43 Queen Street, Bristol, BS1 4QP, England | Limited by guarantee | - | 50 |
| Clarke Chapman Portia Port Services Limited | Maritime Centre, Port of Liverpool, Liverpool, L21 1LA, England | Ordinary A | 100 | 50 |
| Consorcio Español para el Desarrollo Industrial del Helicóptero de Ataque Tigre, A.I.E. | Avda. de Aragón 404, 28022 Madrid, Spain | Partnership (no equity held) | - | 50 |
| Consorcio Español para el Desarrollo Industrial del Programa Eurofighter, A.I.E. | Paseo de John Lennon, s/n, edificio T22, 2ª planta, Getafe, Madrid, Spain | Partnership (no equity held) | - | 50 |
| Egypt Aero Management Services | EgyptAir Engine Workshop, Cairo International Airport, Cairo, Egypt | Ordinary | 50 | 50 |
| EPI Europrop International GmbH | Dachauer Strasse 655, 80995, Munich, Germany | Capital Stock | 44 | 44 |
| EPIX Power Systems, LLC | The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, United States | Partnership (no equity held) | - | 50 |
| Eurojet Turbo GmbH | Lillenthalstrasse 2b, 85399 Halbergmoos, Germany | Capital Stock | 46 | 46 |
| GE Rolls-Royce Fighter Engine Team LLC | The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, United States | Partnership (no equity held) | - | 50 |
| Genistics Holdings Limited | Derby 1 | Ordinary A | 100 | 50 |
| Global Aerospace Centre for Icing and Environmental Research Inc. | 1000 Marie-Victorin Boulevard, Longueuil Québec J4G 1A1, Canada | Ordinary | 50 | 50 |
| Hong Kong Aero Engine Services Limited | 33rd Floor, One Pacific Place, 88 Queensway, Hong Kong | Ordinary | 50 | 50 |
| Hovden Klubbhus AS | Stålhaugen 5, Ulsteinvik, 6065, Norway | Ordinary | 69 | 69 |
| International Aerospace Manufacturing Private Limited **3 | Survey No. 3 Kempapura Village, Varthur Hobli, Bangalore, KA 560037, India | Ordinary | 50 | 50 |
| LG Fuel Cell Systems Inc. | Wilmington 2 | Common Stock | 27 | 27 |
| Light Helicopter Turbine Engine Company (unincorporated partnership) | Suite 119, 9238 Madison Boulevard, Madison, Alabama 35758, United States | Partnership (no equity held) | - | 50 |
| MEST Co., Limited | 97 Bukjeonggongdan 2-gil, Yangsan-si, Gyeongsangnam-do, 50571, Republic of Korea | Normal | 46.8 | 46.8 |

* Dormant company.

** These entities are accounted for as joint operations (see note 1 accounting policies).

1 Moor Lane, Derby, DE24 8BJ, England.

2 Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, United States.

3 Reporting year end is 31 March.

ROLLS-ROYCE GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

| Company name | Address | Class of shares | % of class held | Group interest held % |
|---|---|------------------------------|-----------------|-----------------------|
| Metlase Limited | Unipart House, Garsington Road, Cowley, Oxford, OX4 2PG, England | Ordinary B | 100 | 20 |
| MTU Turbomeca Rolls-Royce GmbH | Am Söldnermoos 17, 85399 Hallbergmoos, Germany | Capital Stock | 33.3 | 33.3 |
| MTU Turbomeca Rolls-Royce ITP GmbH | Am Söldnermoos 17, 85399 Hallbergmoos, Germany | Capital Stock | 50 | 50 |
| MTU Yuchai Power Company Limited | No 7 Danan Road, Yuzhou, Yulin, Guangxi, China, 537005, China | Capital Stock | 50 | 50 |
| N3 Engine Overhaul Services GmbH & Co KG | Gerhard-Höltje-Strasse 1, D-99310, Arnstadt, Germany | Capital Stock | 50 | 50 |
| N3 Engine Overhaul Services Verwaltungsgesellschaft MbH | Gerhard-Höltje-Strasse 1, D-99310, Arnstadt, Germany | Capital Stock | 50 | 50 |
| Offshore Simulator Centre AS | Borgundvegen 340, 6009, Ålesund, Norway | Ordinary | 25 | 25 |
| Rolls Laval Heat Exchangers Limited * | Derby 1 | Ordinary | 100 | 50 |
| Rolls-Royce & Partners Finance (US) (No 2) LLC | Wilmington 2 | Partnership (no equity held) | - | 50 |
| Rolls-Royce & Partners Finance (US) LLC | Wilmington 2 | Partnership (no equity held) | - | 50 |
| SAFYRR Propulsion Limited | Derby 1 | B Shares | 100 | 50 |
| Shanxi North MTU Diesel Co. Limited | No.97, Daqing West Road, Datong City, Shanxi Province, China | Ordinary | 49 | 49 |
| Singapore Aero Engine Services Private Limited | 11 Calshot Road, 509932, Singapore | Ordinary | 50 | 50 |
| Texas Aero Engine Services LLC | The Corporation Trust Company, 1209, Orange Street, Wilmington, Delaware 19801, United States | Partnership (no equity held) | - | 50 |
| Techjet Aerofoils Limited ** | Tefen Industrial Zone, PO Box 16, 24959, Israel | Ordinary A Ordinary B | 50 50 | 50 |
| TRT Limited | Derby 1 | Ordinary B | 100 | 49.9 |
| Turbine Surface Technologies Limited ** | Derby 1 | Ordinary B | 100 | 50 |
| Turbo-Union Limited | Derby 1 | A Shares Ordinary | 37.5 40 | 40 |
| UK Nuclear Restoration Limited * | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | Ordinary | 20 | 20 |
| Viking Reisebyra AS | Stålhaugen 10, 6065 Ulsteinvik, Norway | Ordinary | 50 | 50 |
| Xian XR Aero Components Co., Limited ** | Xujiawan, Beijiao, Po Box 13, Xian 710021, Shaanxi, China | Ordinary | 49 | 49 |

* Dormant company.

** These entities are accounted for as joint operations (see note 1 accounting policies).

1 Moor Lane, Derby, DE24 8BJ, England.

2 Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, United States.

3 Reporting year end is 31 March.