



**Rolls-Royce**

**serco**

## News Release

02 November 2006

### **ROLLS-ROYCE AND SERCO ENTER ALLIANCE TO ADDRESS THE CHANGING DEFENCE ENVIRONMENT**

Rolls-Royce, the leading power systems and services company, and Serco, the leading international service company have signed a Memorandum of Understanding (MoU) to deliver cutting edge services to the MoD in support of the Defence Industrial Strategy.

The agreement is focused initially on the defence sector but could be extended to other key Rolls-Royce business sectors.

The two companies combined their resources recently in support of the UK MoD's C-130 Hercules fleet. In June, Rolls-Royce won a £110 million contract to ensure engine availability for the C-130 and has engaged Serco to provide engineers to carry out servicing work at RAF Lyneham.

Miles Cowdry, Director of Services at Rolls-Royce, said: "Rolls-Royce is successfully transitioning into a service provider in support of our substantial installed base of aero, marine and power generation systems".

"We are developing robust service supply chains and this strategic relationship, which combines the best attributes of both companies to maximise our effectiveness, will deliver value to our customers".

Andrew White, Chief Executive of Serco's defence and aerospace business, said: "This alliance reflects the determination of both Serco and Rolls-Royce to maximise aircraft availability and capability through-life to our MoD customers whilst delivering value for money, and our commitment to the partnering values enshrined in the UK Defence Industrial Strategy."

#### Notes to editors

- Services account for 55 per cent of the revenues of the Defence Aerospace business of Rolls-Royce.
- Over the last 12 months, Rolls-Royce has won servicing contracts worth more than £400 million from the UK MoD.
- With the experience of managing over 2,350 engines and 3,350 modules under Mission Ready Management Solutions (MRMS®) - style contracts, Rolls-Royce is a pioneer in partnered support and availability contracting.

- Serco is a leading international service company, operating in a broad range of sectors, including defence and aerospace, IT services, education, local government, transport, science, health, and justice. From independent advice to solution design, Serco delivers capability and availability.
- Serco is a key player in defence markets worldwide. Its experience in the sector dates back to 1964, when it won the UK Government's first ever outsourced service contract, the operation and maintenance of the UK Ballistic Missile Early Warning System at RAF Fylingdales. Today Serco holds over £2.5bn worth of defence contracts split between land, sea, air, space and technology.
- In the UK, Serco's work for the Ministry of Defence includes multi-activity support contracts at RAF Northolt and RAF Brize Norton, together with advanced RAF and Royal Navy aircrew training.
- Serco's current work with Rolls-Royce includes engineering support to the Hercules engines at RAF Lyneham and the Gnome and GEM engines at RNAS Yeovilton.

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