Rolls-Royce – Submarines Vulcan Business Operations Update: February 2012

Current Rolls-Royce Business Operations at the Vulcan Site are focused on continuing to safely deliver our current PWR2 Reactor Operations and submarines nuclear support programmes here and with our deployed resource.

The challenging but positive developments in the overall Submarines and Civil Nuclear programmes very much align with the skills, knowledge and experience with our people here in Caithness. Our Business Plans now and most importantly in the future are integrated with the demands and requirements from the future and now growing nuclear programmes in the UK. As our current site work plans over the next 5 years stabilise we will be maturing our options of what next in terms of our skills in Caithness 2020 and beyond. This is very much the case in the entire Nuclear Sector – both Submarines and Civil Nuclear. We see this is as a significant positive future with challenge and opportunity as one would expect in Business.

The Rolls-Royce resource and capability at Vulcan is very much a part of the overall Rolls-Royce Nuclear Sector – currently in excess of 2500 personnel and expanding through recruitment and acquisition. Future developments here need to be considered in that positive context.

Our Apprentice Training programme is very "live" – 16 Apprentices currently at Vulcan. 2012 intake of a further 4 is in process now via Rolls-Royce.com and the Schools Careers Conventions. In addition we are providing graduate training opportunities as part of the overall Company scheme.

We recommend our website (<u>www.Rolls-Royce.com/nuclear</u>) which covers our Nuclear Business development work and progress."