

88(2)

Return of Allotment of Shares

Please complete in ty or in bold black capit						
CHFP010. Co	mpany Number	1003142				
Company Name in full		ROLLS-ROYCE plc				
Shares allotted (in	ncluding bonus s	shares):				
		From				
Date or period during v	which shares	Day Month Year		Day Month Year		
were allotted (if shares were allotted on or date in the "from" box)	ne date enter that	2 3 0 6 2 0	0 3			
Class of shares (ordinary or preference etc)		Ordinary				
Number allotted		1,630,996,508				
Nominal value of each	n share	₩ 20p				
Amount (if any) paid or share (including any st		0.20p				
		ttees and the number of artly paid up otherwi				
% that each share is to paid up	be treated as					
Consideration for which were allotted	h the shares	See attached KPMG Audit Plc report under Section 103(1)				
(This information must be su stamped contract or by the o on Form 88(3) if the contract	luly stamped particulars	of the Companies Act 1985.				
		When you have con the Registrar of Cor	-	gned the for	m send it to	



Companies House, Crown Way, Cardiff, CF14 3UZ For companies registered in England and Wales

DX 33050 Cardiff

Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB For companies registered in Scotland DX 235 Edinburgh

Names and addresses of the allottees (List joint share allotments consecutively)

Shareholder details		Shares and share class allotted			
Name		Class of shares allotted	Number allotted		
ROLLS-ROYCE GROUP plc		Ordinary	1,630,996,507		
Add					
Address 65 Buckingham Gate]		
London					
UK postcode SW1E 6AT					
Name		Class of shares allotted	Number allotted		
MANSFIELD HOLDINGS LIMITED		Ordinary	, ,		
			1		
Address Moor Lane					
Derby					
UK postcode DE24 8BJ					
Name		Class of shares allotted	Number allotted		
		1	Number anotted		
			_		
Address I			ı		
			1		
LIIZ mankanda d					
Name		Class of shares allotted	Number allotted		
Name		Class of shares another	Number anotted		
Address			1		
UK postcode					
Please enter the number of co	ntinuation sh	eets (if any) attached to this form	0		
sizzad AXIVM AA	m_	Date	30th June 2003		
Signed A director / secretary / a ministrator / administrator	fative receiver	Teceiver-manager/Teceiver	30' JUNE 2303		
Please give the name, address, telephone	RETARY, ROLLS-ROYCE PLO				
number and, if available a DX number and Exchange of the person Companies House					
should contact if there is any query.		Tel 01332 245878			
	DX number				



KPMG Audit Plc

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Tel +44 (0) 20 7311 8642 Fax +44 (0) 20 7311 4770 DX 38050 Blackfriars

The Directors Rolls-Royce plc 65 Buckingham Gate London SW1E 6AT

Our ref rp/ds

Contact Richard Pinckard

020 7311 8642

23 June 2003

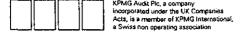
Dear Sirs

Independent accountant's report to Rolls-Royce plc ("Rolls-Royce" or "the Company") for the purpose of Section 103 (1) of the Companies Act 1985

We report on the issue of 1,630,996,508 ordinary shares (the "Ordinary Shares") in Rolls-Royce plc to Rolls-Royce Group plc in connection with the proposed scheme of arrangement under Section 425 of the Companies Act 1985 described in the circular to shareholders dated 11 April 2003.

For the purposes of Section 103 (1) of the Companies Act 1985 we report that:

- a) the nominal value of each of the Ordinary Shares to be wholly paid for by the non-cash consideration is 20p;
- b) the premium payable on each of the Ordinary Shares is Nil;
- c) the non-cash consideration for the allotment of the Ordinary Shares in Rolls-Royce plc to Rolls-Royce Group plc is the capitalisation of the reserves in Rolls-Royce plc created by the cancellation of Rolls-Royce plc's existing ordinary shares. The amount cancelled is the nominal value of the shares which creates the reserve amounting to £326,199,301.60;
- d) the nominal value of each of the Ordinary Shares is to be treated as fully paid up by the noncash consideration;
- e) the whole of the non-cash consideration was valued by us as at 20 June 2003 on the basis that it is represented by the credit balance arising in the books of Rolls-Royce plc on the cancellation of the existing ordinary shares. In our opinion the method of valuation was reasonable in all the circumstances; and



f) there appears to have been no material change in the value of the non-cash consideration between the date of the valuation and the date of this report.

On the basis of the valuation, the value of the non-cash consideration is not less than the aggregate of the nominal value of the Ordinary Shares to be treated as paid up by the non-cash consideration.

Yours faithfully

KMG ANDHA PIC

KPMG Audit Plc