

ROLLS-ROYCE AND AMERICAN AIRLINES TO DISSOLVE TEXAS AERO ENGINE SERVICES LLC PARTNERSHIP

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Today, **Rolls-Royce** and **American Airlines** announced plans to dissolve **Texas Aero Engine Services LLC (TAESL)**. TAESL is a 50-50 joint venture between Rolls-Royce and American Airlines Group in Fort Worth, Texas, that provides maintenance, repair, and overhaul services on aircraft engines.

The combination of reductions in demand and lack of future growth opportunities for the business has led Rolls-Royce to request the closure of TAESL, which American Airlines has accepted.

TAESL was originally established in 1998 to work on Rolls-Royce aircraft engines operated by American Airlines including the Tay 620/650, RB211, and Trent 800. Demand for work on those engines has fallen significantly. The Tay engine left American's fleet completely in 2004 and RB211 work is declining as planes from American's Boeing 757 fleet are retired.

"TAESL has a proud history of supporting Rolls-Royce to serve American Airlines and other customers over many years. Unfortunately, after reviewing load forecasts for the TAESL

programs, Rolls-Royce has concluded that declining future volumes of overhauls for Trent 800 and RB211 will no longer support a commercially viable operation,” said Simon Burr, Chief Operating Officer for Civil Large Engines, Rolls-Royce.

“Our primary concern is for American Airlines team members working at TAESL. They have consistently delivered quality work and made significant contributions to American and Rolls-Royce. Their level of expertise is second to none,” said David Seymour, Senior Vice President for Technical Operations at American Airlines. “Unfortunately, there simply isn’t enough work to sustain the cost of operating this facility. We will work with the TWU to create some additional new maintenance opportunities in the Dallas-Fort Worth area, as well as offer continued employment throughout American at other locations for those who desire it.”

About 600 American Airlines employees currently work at TAESL, including 500 who are represented by the Transport Workers Union of America. The airline also employs about 100 management and support employees at this facility. American will provide continued employment opportunities for all 500 frontline mechanics and TWU-represented employees throughout its system, and is also creating more than 100 TWU-represented jobs in the Dallas-Fort Worth area as a way to offset the facility’s closure.

“It’s unfortunate when market and economic conditions cause work to shift, but how we help the people whose lives are affected when these events occur matters greatly,” Seymour continued. “In addition to ensuring all of our frontline mechanics and other frontline employees at TAESL have continued employment opportunities if they want them, we will also support our management team located at TAESL. Those in management and support functions affected by this closure will be offered a competitive severance and outplacement package if other opportunities within either Rolls or American are not available.”

Work currently done at TAESL for American and other airlines will begin moving to other Rolls-Royce approved MRO facilities in consultation with TAESL’s current customers. Final closure of TAESL is expected by January 2016.

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