



ROLLS-ROYCE TO INVEST OVER ONE-HALF BILLION DOLLARS TO TRANSFORM INDIANAPOLIS FACILITIES

News / Manufacturer



Today, **Rolls-Royce** announced the company will **invest** nearly \$600 million to modernize its manufacturing operations in **Indianapolis** and to conduct technology research, ensuring that Indiana remains a leader in the aerospace industry for decades to come.

The modernization plan will enable the company to become more competitive by replacing outdated facilities and accelerating the introduction of new and advanced manufacturing methods. The investment was made possible by the State of Indiana, the City of Indianapolis and the United Auto Workers (UAW) union. Rolls-Royce produces engines for a wide range of military and commercial aircraft, as well as marine propulsion systems.

This investment – the largest by Rolls-Royce in the United States since the company bought the former Allison Engine Company in 1995 – will include a major renovation of the existing facilities at Tibbs Avenue and Raymond Street. Upgrades will include new manufacturing and assembly operations that will match the advanced standards already present in many other Rolls-Royce facilities in Indiana and around the world. The five-year modernization plan, which is in-line with the Group's ongoing investment plans, will also consolidate operations and significantly reduce utility costs.

"Our new facility will be a state-of-the-art manufacturing center that combines modern production systems and machinery with a highly skilled workforce. This investment ensures that we can increase our competitiveness in the market, which will benefit both our customers and Rolls-Royce," said Marion Blakey, President and CEO, Rolls-Royce North America.

"We want to express our sincere appreciation to the State of Indiana, the City of Indianapolis, the UAW, and our employees for helping us make this investment in our future possible," said Phil Burkholder, President of Rolls-Royce Defense Aerospace, North America.

"Indiana leads the nation in advanced manufacturing, and Rolls-Royce has been an integral part of our state's industry for the past 100 years," said Indiana Governor Mike Pence. "As the company evaluates its future and looks to remain competitive across the globe, Rolls-Royce is choosing the State of Indiana for this investment because we offer the business-friendly climate needed to succeed. Today's news is evidence that Indiana is a state that works for business, and it signifies the company's commitment to our state and to Hoosiers for years to come."

"Indianapolis has emerged as a global competitor in technology and advanced manufacturing, and Rolls-Royce has played an important role in that growth," said Indianapolis Mayor Greg Ballard. "This is an internationally-renowned company that could have chosen to invest anywhere on the map, and I am very proud that they selected Indianapolis. I look forward to our community's continued partnership with Rolls-Royce as they engage our talented workforce and use their upgraded facility to raise the bar in aerospace technology."

"During our long relationship with Rolls-Royce, the UAW has always been committed to being part of the solution for our next century of innovation at our manufacturing operations. This investment, coupled with the most skillful women and men in the world, enables us to be competitive on a global level for decades to come," said Frank Poynter, Bargaining Unit Chairman, UAW Local 933, Indianapolis.

As part of the agreement to make the investment, Rolls-Royce will receive approximately \$35 million in State and City incentives. They include conditional tax credits and a skills enhancement grant through the Indiana Economic Development Corporation (IEDC), both of which have been approved by the IEDC Board of Directors. Rolls-Royce and the City have agreed in principle to

amend Rolls-Royce's existing real and personal property tax abatement agreement, and final approval is pending before the Metropolitan Development Commission. All of these incentives apply to the facility investment and technology development that will be incorporated into future Rolls-Royce products.

Renovation of the existing buildings will begin immediately. Special project teams are implementing modernization plans while continuing to support our global customer base.

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