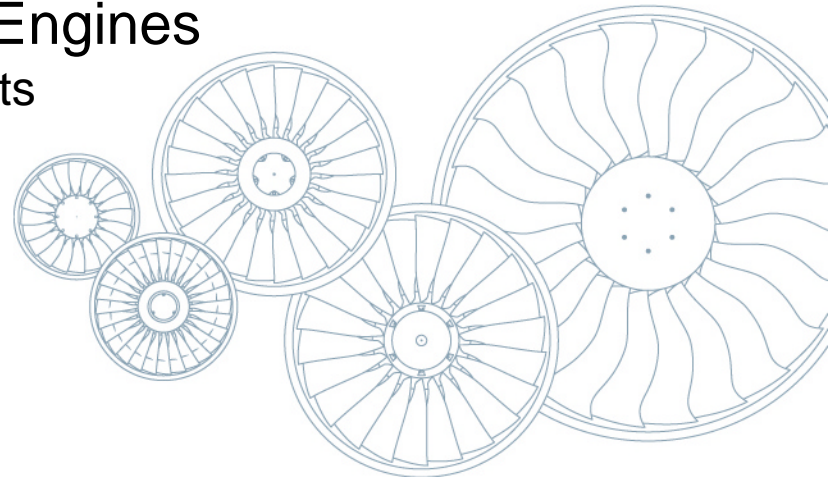




Annual Results 2007 – MTU Aero Engines
Conference Call with Investors and Analysts
March 13th, 2008



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Key Business Issues since Sept. 2007

Commercial Business

- Market fundamentals remain positive
 - 2007 global passenger traffic grew 7.4% (IATA), above average
 - January 2008 passenger traffic data shows slowdown to 4.3%
- First phase of GTF ground testing successfully completed, MHI and Bombardier launch customers for GTF engine
- PW800 engine family chosen for new Cessna Business Jet

Military Business

- Saudi Eurofighter/EJ200 order concluded
- First set of TP400 test engines delivered to Airbus

Commercial MRO

- MRO expected to recover from Q2 08 on
- MRO contract volume grew 2007 by extraordinary 53% to 7.4 bn US\$

Others

- Share buy back program nearly completed (5.0 of 5.5 mn shares acquired)

FY 2007 Financial Highlights

- Order Backlog**
- Group Order Backlog 2007 stable at 3,311.1m€ yoy
 - Adjusted for US\$ effects increase by 5.1%

- Revenues**
- Group Revenues increased by 6.6% to 2,575.9 m€

- EBITDA adj.**
- Group EBITDA increased by 23.5% to 392.9m€ reaching 15.3% margin

- Cash Flow**
- Free Cash Flow at 131.7m€.

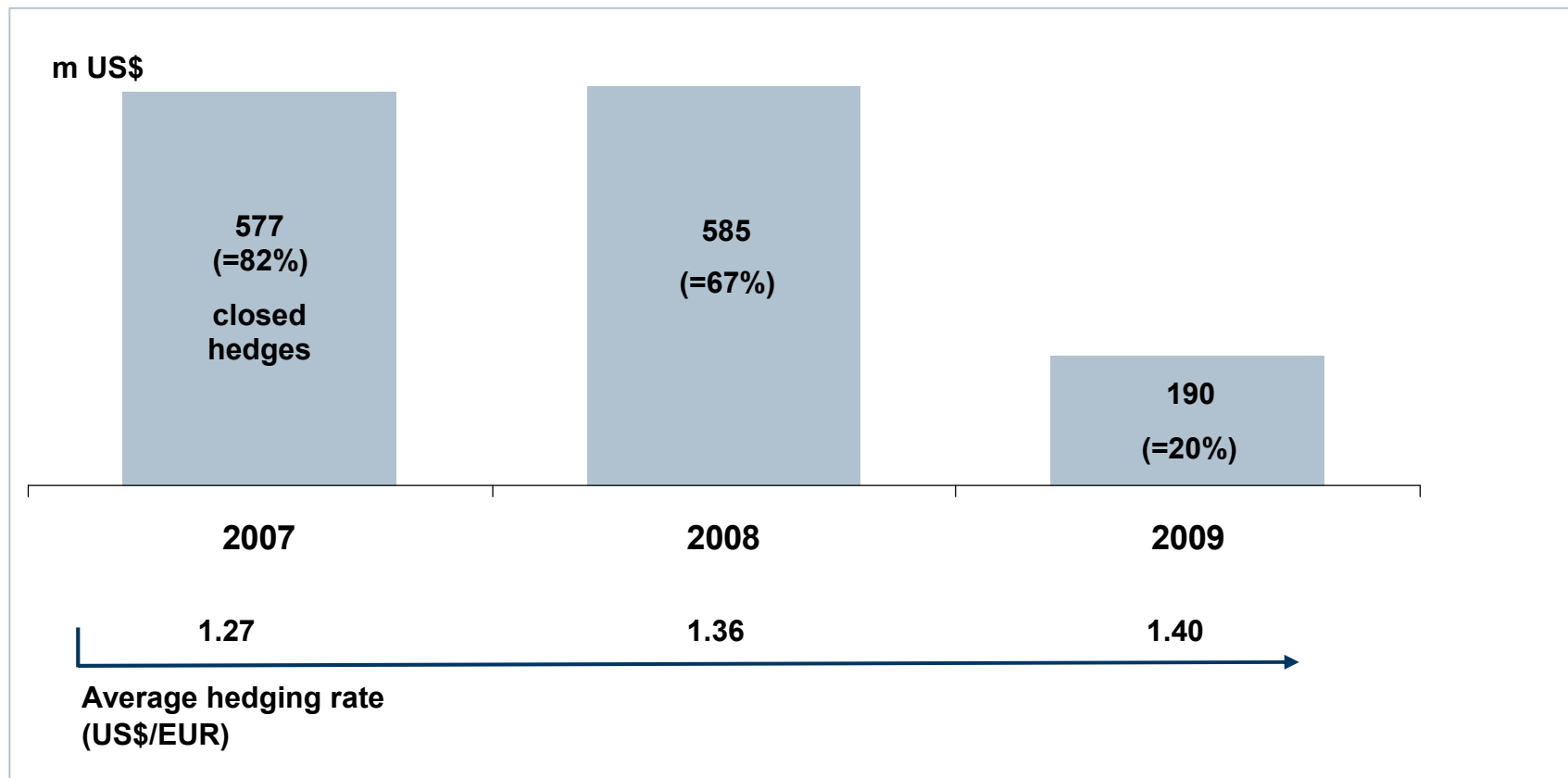
- Underlying Net Income/ EPS**
- Underlying Net Income increased by 21.7% to 148.2m€ (EPS 2.83 €)
 - Reported Net Income increased by 73% to 154.1m€ (EPS 2.95€)
 - Dividend proposal: 0.93 €/share.

FY 2007 Results vs. Forecast

in m€	FY2006	FY2007	Guidance 2007
Revenues	2,416.2	2,575.9	~ 2.600
EBITDA adj	318.2	392.9	385
EBITDA adj. margin	13.2%	15.3%	14.8%
Free Cash Flow	115.7	131.7	120
Underlying Net Income	121.8	148.2	150

US\$ Exchange Rate / Hedge Portfolio

Hedge book as of March 12 2008 (% of net exposure)



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OEM Segment

	31.12.2007	31.12.2006	Change
Order backlog in m€	3,216.8	3,218.4	0.0%
Commercial Business in m\$	2,388.5	2,325.4	2.7%
Military Business in m€	1,594.3	1,452.7	9.7%

in m€	FY2007	FY2006	Change
Revenues	1,599.5	1,483.1	7.8%
Commercial Business	1,102.0	993.5	10.9%
Military Business	497.5	489.6	1.6%
Gross profit	355.4	238.1	49.3%
<i>Gross profit margin</i>	<i>22.2%</i>	<i>16.1%</i>	
R&D self-financed	82.0	74.1	10.6%
EBITDA adj.	305.7	217.7	40.4%
<i>EBITDA adj. margin</i>	<i>19.1%</i>	<i>14.7%</i>	

Order backlog

- Commercial Business US\$ Order backlog increased by 2.7%
- Military Business Order backlog increased by 9.7% due to Saudi EJ200 order

Revenues

- Commercial OEM revenues increased by 10.9% driven by strong demand
- Underlying growth 21% - adjusted for US\$ exchange rate effects

Gross profit

- Increased by 49.3% driven mainly by efficiency improvements

EBITDA adj.

- Increase by 40.4% reaching 19.1% margin

MRO Segment

in m US\$	31.12.2007	01.01.2007	Change
Contract volume MRO (in mUS\$)	7,426.6	4,847.0	53.2 %
Order backlog (in mUS\$)	139,4	163.4	-14.7%

in m€	FY2007	FY2006	Change
Revenues	1,004.7	954.7	5.2%

Gross profit	89.1	115.6	-22.9%
<i>Gross profit margin</i>	<i>8.9%</i>	<i>12.1%</i>	
R&D self-financed	6.8	6.5	4.6%

EBITDA adj.	87.9	103.4	-15.0%
<i>EBITDA adj. margin</i>	<i>8.7%</i>	<i>10.8%</i>	

Order backlog

- US\$ Contract volume growth + 53.2% (major contract wins: Jet Blue, Garuda)

Revenues

- Organic (US\$) growth 14.8%

Gross profit

- Margin decreased from 12.1% to 8.9%: Write-off CF34 licence and ERP issues

EBITDA adj.

- Decreased by 15.0%
- reaching 8.7% margin

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Financial Result

in m€	FY 2007	FY 2006	Change
Profit/loss from at equity accounted companies	-2.3	0.0	
Interest Result	-31.4	-19,9	-57.8%
Interest income	7.4	27.4	
Interest payments	-38.8 *)	-47.3	
Other Financial Result	-30.2	-13.4	-125.4%
Income non-consolidated subsidiaries companies / Income from associated companies / Loss from shares in affiliated companies	1.3	0.9	
Gains/losses US\$ cash/financing/ Capital lease valuation	-11.1	-2.0	
Non cash valuations (swaps)	-1.5	7.1	
Interest for pension provisions	-18.4	-18.2	
Interest portion included in measurement of receivables, provisions, liabilities and advance payments from customers / others	-0.5	-1.2	
Total Financial Result	-63.9	-33.3	-91.9%

*) Interest payments include 19.1 m€ redemption fee for High Yield Bond

Underlying Net Income and EPS Underlying

in m€	FY2007	FY2006	Change
EBITDA adj.	392.9	318.2	23.5%
Depreciation/amortisation w/o PPA	-95.0	-80.5	
w/o extraordinary write-off of CF34 licence	14.7		
EBIT underlying	312.6	237.7	31.5%
Financial result	-63.9	-33.3	91.9%
EBT underlying	248.7	204.4	21.7%
underlying Tax (40,4%)	-100.5	-82.6	
Underlying Net Income	148.2	121.8	21.7%
EPS underlying	2.83	2.25	25.8%
Dividend proposal per share	0.93	0.82	13.4%

Reported Net Income and EPS

in m€	FY 2007	FY2006	Change
EBIT reported	243.3	183.8	32.4%
Financial result	-63.9	-33.3	
EBT	179.4	150.5	19.2%
Income taxes	-65.8	-26.5	
Deferred taxes *1)	40.5	-34.9	
Net Income reported	154.1	89.1	73.0%
EPS in €	2.95	1.64	79.9%
Avg. weighted number of outstanding shares	52.3m	54.2m	

*) FY2007: including one-off effect out of the revaluation of deferred taxes (46.8 m€) due to German Corporate Tax Reform.

Dividend proposal for the AGM on April 30, 2008: 0,93 € ct /share

Cash Flow

in m€	FY2007	FY2006	Change
Cash Flow from operating activities	236.2	209.8	12.6%
Cash Flow from investing activities	-104.5	-94.1	-11.1%
Free Cash Flow	131.7	115.7	13.8%
Cash Flow from financing activities	-165.8	-37.7	-339.8%
Effect of exchange rate on cash and cash equivalents	-0,8	2.2	
Change in cash and cash equivalents	-34.9	80.2	
Liquidity 31.12.	67.3	102.2	

2008 Forecast

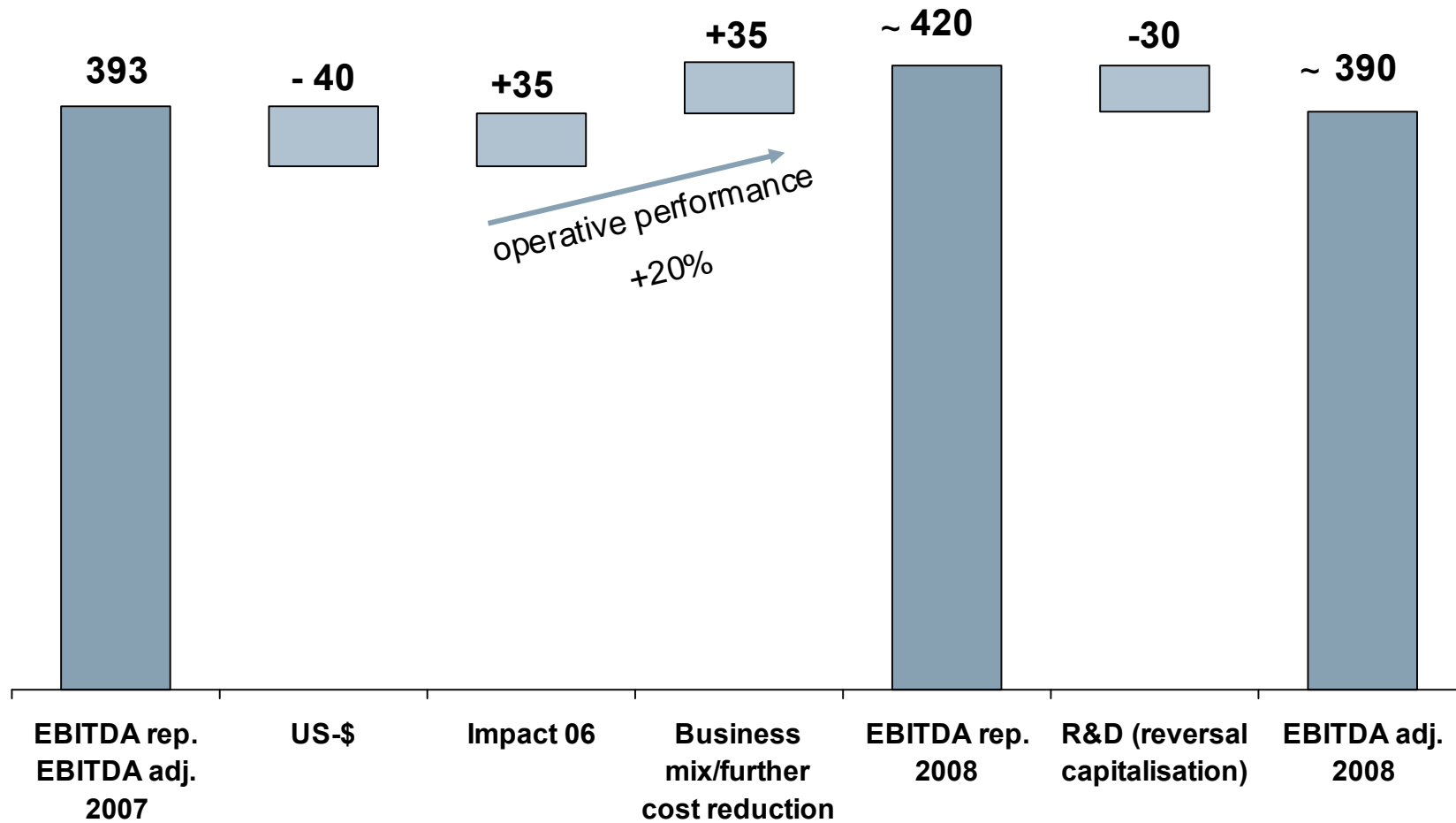
in m€	FY2007	Guidance 2008	change
Revenues	2,575.9	~ 2,600	stable
EBITDA adj.	392.9	~ 390	stable
EBITDA adj. margin	15.3%	~ 15%	stable
Free Cash Flow	131.7	~100	- 24%
Net Income reported	154.1	~ 180	+17%

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2008 EBITDA Bridge



Profit & Loss

In m€	Q4 2007	Q4 2006	change	FY2007	FY2006	change
Revenues	689.1	633.8	8.7%	2,575.9	2,416.2	6.6%
Total cost of sales	-554.3	-552.3	0.4%	-2,129.5	-2,063.5	3.2%
Gross profit	134.8	81.5	65.4%	446.4	352.7	26.6%
<i>Gross profit margin</i>	<i>19.6%</i>	<i>12.8%</i>		<i>17.3%</i>	<i>14.6%</i>	
R & D company funded	-29.4	-21.6		-84.5	-64.5	
SG&A	-28.7	-27.9		-120.8	-116.6	
Other operating income (expense)	1.3	-0.6		2.2	12.2	
EBIT reported	78.0	31.4	148.4%	243.3	183.8	32.4%
EBITDA reported	112.1	74.5	50.5%	392.9	335.6	17.1%
EBITDA adjusted	112.1	87.8	27.7%	392.9	318.2	23.5%
Financial result	-14.4	-9.1		-63.9	-33.3	
Profit before Tax (EBT)	63.6	22.3	185.2%	179.4	150.5	19.2%
Taxes	-26.5	-8.4		-25.3	-61.4	
IFRS net income	37.1	13.9	166.9%	154.1	89.1	73.0%

Revenues / Cost of sales

in m€	Q4 2007	Q4 2006	change	FY2007	FY2006	change
Revenues	689.1	633.8	8.7%	2,575.9	2,416.2	6.6%
OEM Commercial	290.5	247.0	17.6%	1,102.0	993.5	10.9%
OEM Military	155.2	174.2	-10.9%	497.5	489.6	1.6%
MRO	251.5	219.2	14.7%	1004.7	954.7	5.2%
Consolidation	-8.1	-6.6		-28.3	-21.6	
Cost of Sales	-554.3	-552.3	0.4%	-2,129.5	-2,063.5	3.2%
<i>Cost of Sales w/o restructuring</i>		-537.0			-2,048.2	
OEM (commercial / military)	-327.1	-361.8	-9.6%	-1,244.1	-1,245.0	-0.1%
MRO	-230.6	-196.2	17.5%	-915.6	-839.1	9.1%
Consolidation	3.4	5.7		30.2	20.6	

Gross Profit / EBIT reported

in m€	Q4 2007	Q4 2006	change	FY2007	FY2006	change
Gross Profit	134.8	81.5	65.4%	446.4	352.7	26.6%
<i>Gross Profit w/o restructuring</i>		96.8			368.0	
OEM (commercial / military)	118.6	59.4	99.7%	355.4	238.1	49.3%
MRO	20.9	23.0	-9.1%	89.1	115.6	-22.9%
Consolidation	-4.7	-0.9		1.9	-1.0	
EBIT reported	78.0	31.4	148.4%	243.3	183.8	32.4%
<i>EBIT reported w/o restructuring</i>		51.4			203.8	
OEM (commercial / military)	69.6	18.4	278.3%	204.1	119.0	71.5%
MRO	9.1	14.6	-37.7%	39.9	67.7	-41.1%
Consolidation	-0.7	-1.6		-0.7	-2.9	

Research & Development

in m€	Q4 2007	Q4 2006	Change	FY2007	FY2006	Change
Company expensed R&D	31.1	25.6	21.5%	88.8	80.6	10.2%
OEM	31.3	23.5		82.0	74.1	
MRO	-0.2	2.1		6.8	6.5	
Capitalisation of R&D	-1,7	-4.0		-4.3	-16.1*)	
R&D according to IFRS	29.4	21.6	36.1%	84.5	64.5	31.0%
Customer funded R&D	24.2	26.8	-9.7%	87.6	89.3	-1.9%
Total R&D	55.3	52.4	5.5%	176.4	169.9	3.8%

*) in 2006: consumption of R&D provision

EBITDA reported / adjusted

in m€	Q4 2007	Q4 2006	Change	FY2007	FY2006	Change
EBITDA reported	112.1	74.5	50.5%	392.9	335.6	17.1%
OEM (commercial / military)	95.2	52.1	82.7%	305.7	235.1	30.0%
MRO	17.6	24.0	-26.7%	87.9	103.4	-15.0%
Consolidation	-0.7	-1.6		-0.7	-2.9	
EBITDA adjusted	112.1	87.8	27.7%	392.9	318.2	23.5%
OEM (commercial / military)	95.2	65.4	45.6%	305.7	217.7	40.4%
MRO	17.6	24.0	-26.7%	87.9	103.4	-15.0%
Consolidation	-0.7	-1.6		-0.7	-2.9	
EBITDA adjusted margin	16.3%	13.9%		15.3%	13.2%	
OEM (commercial / military) margin	21.4%	15.5%		19.1%	14.7%	
MRO margin	7.0%	10.9%		8.7%	10.8%	

EBITDA Adjustments - Group Level

in m€	Q4 2007	Q4 2006	Change	FY2007	FY2006	Change
EBIT reported	78.0	31.4	148.4%	243.3	183.8	32.4%
Depreciation and amortization	34.1	43.1		149.6	151.8	
EBITDA reported	112.1	74.5	50.5%	392.9	335.6	17.1%
Restructuring costs		20.0			20.0	
R&D provision consumption		-4.0			-16.1	
Property sale					-10.5	
Program value provision release		-2.7			-10.8	
Total adjustments		13.3			-17.4	
EBITDA adjusted	112.1	87.8	27.7%	392.9	318.2	23.5%

EBITDA Adjustments – Segmental Level (in m€)

OEM Segment	Q4 2007	Q4 2006	change	FY2007	FY2006	change
EBITDA reported OEM	95.2	52.1	82.7%	305.7	235.1	30.0%
Restructuring costs		20.0			20.0	
R&D cost, not expensed under IFRS		-4.0			-16.1	
Property Sale					-10.5	
Program value provision release		-2.7			-10.8	
EBITDA adjusted OEM	95.2	65.4	45.6%	305.7	217.7	40.4%

MRO Segment	Q4 2007	Q4 2006	change	FY2007	FY2006	change
EBITDA reported MRO	17.6	24.0	-26.7%	87.9	103.4	-15.0%
EBITDA adjusted MRO	17.6	24.0	-26.7%	87.9	103.4	-15.0%

Financial Result

in m€	Q4 2007	Q4 2006	Change	FY2007	FY2006	Change
Profit / Loss from at equity accounted companies	-1.7	1.2		-2.3	0.0	
Interest Result	-3.2	-5.0	36.0%	-31.4	-19.9	-57.8%
Interest Income	2.7	13.1		7.4	27.4	
Interest Payments	-5.9	-18.1		-38.8 *1)	-47.3	
Other Financial Result	-9.5	-5.3	-79.2%	-30.2	-13.4	-125.4%
Income non-consolidated subsidiaries companies / Income from associated companies / Loss from shares in affiliated companies	0.9	1.0		1.3	0.9	
Gains/losses US\$ cash/financing/ Capital lease valuation	-4.2	-3.1		-11.1	-2.0	
Non cash valuations (swaps)	-1.2	2.2		-1.5	7.1	
Interest for pension provisions	-3.9	-4.4		-18.4	-18.2	
Interest portion included in measurement of receivables, provisions, liabilities and advance payments from customers / others	-1.1	-1.0		-0.5	-1.2	
Total Financial Result	-14.4	-9.1	58.2%	-63.9	-33.3	-91.9%

*1) Interest payments include 19.1m€ redemption fee for High Yield Bond

Cash Flow

in m€	Q4 2007	Q4 2006	Change	FY2007	FY2006	Change
Net income IFRS	37.1	13.9	166.9%	154.1	89.1	73.0%
Depreciation and amortisation	34.1	43.1		149.6	151.8	
Change in Provisions *1)	-17.8	21.8		-2.8	53.4	
Change in Working Capital	-18.5	8.7		-74.6	-57.8	
Taxes	16.1	-15.3		7.0	-11.8	
Others	3.4	-4.1		2.9	-14.9	
Cash Flow from operating activities	54.4	68.1	-20.1%	236.2	209.8	12.6%
Cash Flow from investing activities	-44.4	-47.9	7.3%	-104.5	-94.1	-11.1%
Free Cash Flow	10.0	20.2	-50.5%	131.7	115.7	13.8%
Cash Flow from financing activities	-43.9	-7.7	-470.1%	-165.8	-37.7	-339.8%
Effect of exchange rate on cash and cash equivalents	0.0	1.5		-0.8	2.2	
Change in cash and cash equivalents	-33.9	14.0		-34.9	80.2	

*1) includes pension provisions and other provisions

Working Capital

in m€	31.12.2007	31.12.2006	Change	Change in %
Gross inventories	587.8	529.0	-58.8	
Prepayments	-439.7	-411.5	28.2	
Receivables	705.5	575.0	-130.5	
Payables	-573.6	-487.1	86.5	
Working Capital	280.0	205.4	-74.6	36.3%

PPA depreciation/amortisation (in m€)

Total depreciation / amortisation	Q4 2007	Q4 2006	FY2007	FY2006
MTU total	34.1	43.1	149.6	151,8
OEM	25.6	33.7	101.6	116.1
MRO	8.5	9.4	48.0	35.7

PPA depreciation / amortisation	Q4 2007	Q4 2006	FY2007	FY2006
MTU total	13.2	17.4	54.6	67.4
OEM	11.3	15.4	46.9	59.2
MRO	1.9	2.0	7.7	8.2

Depreciation / amortisation w/o PPA	Q4 2007	Q4 2006	FY2007	FY2006
MTU total	20.9	25.7	95.0	84.4
OEM	14.3	18.3	54.7	56.9
MRO	6.6	7.4	40.3	27.5

Guidance for PPA Depreciation and Amortisation (in m €)

2005	2006	2007	2008	2009	2010	2011
84.7	67.4	54.6	50.5	46.0	43.9	43.0

Difference between Reported and Underlying Net Income

	2007		2006		2005	
	Underlying Net income	Reported Net income	Underlying Net income	Reported Net income	Underlying Net income	Reported Net income
EBITDA adj.	392,9	392,9	318,2	318,2	238,7	238,7
Adjustments				17,4		56,6
<i>Restructuring costs</i>				-20		-2,8
<i>R&D provision release</i>				16,1		38,1
<i>Property sale</i>				10,5		
<i>Program value provision release</i>				10,8		21,3
EBITDA reported	392,9	392,9	318,2	335,6	238,7	295,3
<i>Depr. regular</i>	-80,3	-80,3	-80,5	-80,5	-77	-77
<i>Depr. PPA</i>		-54,6		-65		-84,7
<i>Extraordinary write-offs</i>		-14,7		-6,3		-2,4
EBIT	312,6	243,3	237,7	183,8	161,7	131,2
<i>Financial Result</i>	-63,9	-63,9	-33,3	-33,3	-72,6	-72,6
EBT	248,7	179,4	204,4	150,5	89,1	58,6
<i>TAX (40,4%)</i>	-100,5	-25,3	-82,6	-61,4	-36,0	-25,8
Net Income	148,2	154,1	121,8	89,1	53,1	32,8

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements contained herein may be statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements that are forward-looking by reason of context, the words "may," "will," "should," "expect," "plan," "intend," "anticipate," "forecast," "believe," "estimate," "predict," "potential," or "continue" and similar expressions identify forward-looking statements.

Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) competition from other companies in MTU's industry and MTU's ability to retain or increase its market share, (ii) MTU's reliance on certain customers for its sales, (iii) risks related to MTU's participation in consortia and risk and revenue sharing agreements for new aero engine programs, (iv) the impact of non-compete provisions included in certain of MTU's contracts, (v) the impact of a decline in German or other European defense budgets or changes in funding priorities for military aircraft, (vi) risks associated with government funding, (vii) the impact of significant disruptions in MTU's supply from key vendors, (viii) the continued success of MTU's research and development initiatives, (ix) currency exchange rate fluctuations, (x) changes in tax legislation, (xi) the impact of any product liability claims, (xii) MTU's ability to comply with regulations affecting its business and its ability to respond to changes in the regulatory environment, (xiii) the cyclical nature of the airline industry and the current financial difficulties of commercial airlines, (xiv) risks associated with the significant ownership of our equity by affiliates of Kohlberg Kravis Roberts & Co., (xv) our substantial leverage and (xvi) general local and global economic conditions. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

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