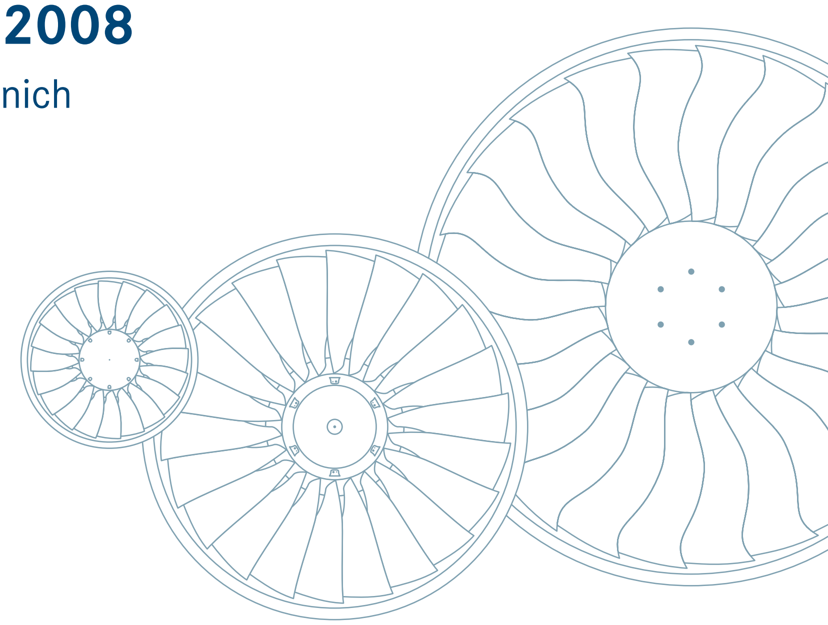
MTU Aero Engines

Quarterly financial report
January 1 to March 31, 2008

MTU Aero Engines Holding AG, Munich



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Key Facts and Figures for the Group

in € million (unless otherwise specified)	2008	2007
Revenues and earnings		
Revenues	630.0	640.6
thereof: Commercial and Military Engines business	379.4	383.8
thereof: Commercial Maintenance business	258.3	262.3
Gross profit	110.2	101.6
Gross profit in %	17.5	15.9
Earnings before interest, tax, depreciation and amortization (EBITDA)	98.3	90.6
EBITDA in %	15.6	14.1
Net profit	44.2	18.0
Earnings (adjusted)		
Earnings before interest, tax, depreciation and amortization (EBITDA)	98.3	90.6
EBITDA in %	15.6	14.1
Balance sheet		
Total assets	3,128.1	3,085.5
Equity	578.0	562.0
Equity ratio in %	18.5	18.2
Financial liabilities	288.7	326.5
Cash flow		
Cash flow from operating activities	62.1	62.1
Cash flow from investing activities	-18.7	-17.8
Free cash flow	43.4	44.3
Free cash flow as % of revenues	6.9	6.9
Cash flow from financing activities	-67.1	-57.5
Number of employees at quarter end	7,156	7,061
Commercial and Military Engines business (OEM)	4,624	4,671
Commercial Maintenance business (MRO)	2,532	2,390
Share data		
Earnings per share (in €)		
Basic earnings per share	0.88	0.34
Diluted earnings per share	0.85	0.33

1 The operating environment

1.1 Business activities and markets

MTU Aero Engines Holding AG (MTU or "the company") with its consolidated group of companies ranks among the world's largest manufacturers of aircraft engines. The company is the world's largest independent provider of commercial aero engine maintenance services in terms of revenue.

MTU operates in two principal segments: OEM business – which includes spare parts for commercial and military engines and military MRO – and Commercial MRO business.

OEM business (Commercial and Military Engines business)

MTU works in partnership with the world's leading engine manufacturers - General Electric, Pratt & Whitney and Rolls-Royce – on programs to develop and manufacture commercial engines. It designs and manufactures modules and components and carries out final assembly work. Major engine programs at present include the GP7000 for the Airbus A380 and the V2500 for the Airbus A320 family. The focus of MTU's work on engine modules lies on low-pressure turbines and high-pressure compressors. The company is also active in the industrial gas turbine (IGT) sector, developing and manufacturing stationary gas turbines.

In the military domain, MTU develops and maintains engine modules and components, manufactures spare parts, supervises engine final assembly and provides maintenance services. As lead industrial partner to the German armed forces, the company provides support for virtually every type of aero engine in service with the Bundeswehr. MTU is the German partner in all major military engine programs at European level, the most important of these being the EJ200 for the Eurofighter and the TP400-D6 for the new A400M military transporter.

MRO business (Commercial Maintenance business)

All Commercial MRO activities are pooled in the MTU Maintenance Group, which repairs and overhauls aero engines and industrial gas turbines. The company is particularly active in the high-growth markets of the V2500, CF6, CFM56, CF34 and PW2000 programs and in the field of industrial gas turbines. Commercial MRO customers include airlines and IGT operators all over the world.

1.2 Review of business

1.2.1 General economic environment

According to IATA, international passenger figures rose by 7.2% in the first two months of 2008 and freight volumes increased by 5.1% without adjustment for the leap year effect. If the leap year effect is eliminated, the growth rates were 5.4% and 3.3% respectively. The growth in passenger figures was therefore lower than in the last three years, when rates of between 6% and 7% had been recorded; grow was nevertheless with the 4% to 5% range predicted. This was different to the development of international freight volume. The growth rate of 3% to 4% achieved was similar to growth rates recorded in the last 3 years.

The region North America is affected by the sluggish growth in worldwide air traffic. However, growth rates eventually settled, as predicted, at their long-term level. Three factors caused this slowdown: high energy costs, higher ticket prices and the worldwide economic environment.

The initial reaction of the airlines to the slight reduction in demand will probably be to reduce ticket prices and to generate cost savings. Capacities may also be adjusted slightly in order to optimize aircraft utilization.

Fuel prices rose in the first quarter of 2008, the fourth quarterly increase in succession. The price of kerosene increased 10% from US dollar 108 to US dollar 119 a barrel and was therefore US dollar 21 higher than the price of oil. Despite the record price level, the pace of the price increase was less than in the previous year. By way of comparison: the price of kerosene rose by 20% in the fourth quarter.

The previous record volume of aircraft deliveries to customers recorded in 1999 will probably be beaten in 2008, with the number of deliveries reaching between 950 and 1000. In the light of this record number of firm orders, it is likely that the number of new engines to be delivered will continue to increase over the coming years. It can also be assumed that the demand for spare parts and maintenance work will remain steady in 2008.

1.2.2 Significant events in the first quarter

Earnings for the quarter-ended March 31, 2008 were not influenced by any major exceptional items. Information regarding the share capital reduction by withdrawal of shares for a nominal amount of € 3.0 million is provided in Note 20.

1.2.3 Significant changes to forecasts and assertions relating to the Group's development made in the preceding group management report

There are no significant changes to the forward-looking disclosures and assertions made in the group management report for the financial year 2007. Reference is therefore made to the disclosures reported in the most recent group management report.

2 Operating results, financial situation and net assets

2.1 Group operating results in the first quarter 2008

Revenues

Compared with corresponding quarter last year, revenues for the first quarter of 2008 decreased by € 10.6 million (1.7%) to € 630.0 million. Of this decrease, € 4.4 million (1.1%) related to OEM business and € 4.0 million (1.5%) to Commercial MRO business. Adjusted for the US dollar impact (i.e. using the same exchange rate as in the previous year), revenues would have increased by € 64.0 million (10.0%) compared with the previous year.

Cost of sales and gross profit

Cost of sales decreased overall by € 19.2 million (3.6%) to € 519.8 million. The fact that this decrease was more pronounced than that of revenues was attributable to Commercial and Military Engine business. Whereas cost of sales for Commercial and Military Engine business decreased sharply by € 25.1 million to € 290.8 million, and therefore at a much faster rate than revenues, cost of sales for Commercial MRO business increased by € 8.3 million to € 236.7 million and therefore faster than revenues.

With cost of sales decreasing overall faster than revenues, the first quarter gross profit improved by € 8.6 million (8.5%) to € 110.2 million.

Research and development expenditure

Research and development expenditure before capitalization of development costs amounted to € 14.5 million in the first quarter 2008, € 2.5 million (14,7%) lower than one year earlier.

Selling and general administrative expenses

Selling expenses increased by € 1.5 million whereas general administrative expenses decreased by € 0.4 million compared with the first quarter last year. The increase in selling expenses was primarily attributable to write downs recognized on trade receivables.

Depreciation and amortization

Depreciation and amortization included in expense lines by function totalled € 30.6 million (first quarter 2007: € 33.9 million).

Operating profit (EBITDA and margin)

Scheduled depreciation and amortization as well as the impact of the purchase price allocation (resulting from the acquisition of the Company) are added back to the profit before financial result and taxes (EBIT). This gives rise to the profit before financial result, taxes, depreciation and amortization (EBITDA). The first quarter EBITDA increased by € 7.7 million (8.5%) to € 98.3 million as a result of the increase in gross profit. The first-quarter EBITDA margin improved accordingly from 14.1% to 15.6%.

Reconciliation of EBIT to EBITDA

in € million	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Earnings before interest and tax (EBIT)	**67.7**	56.7
+ Depreciation/amortization of:		
Intangible assets		
- Current amortization	1.8	2.5
- Acquisition-related amortization expense (PPA)	10.0	10.6
	11.8	**13.1**
Property, plant and equipment		
- Current depreciation	16.5	17.3
- Acquisition-related depreciation expense (PPA)	2.3	3.5
	18.8	**20.8**
Total depreciation/amortization and impairment losses	**30.6**	**33.9**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**98.3**	**90.6**

Financial result
The financial result for the first quarter to March 31, 2008 was a net expense of € 1.7 million compared with a net expense of € 26.9 million in the corresponding period last year. The improvement was mainly due to an early repayment fee paid on the High Yield Bond in the previous year (€ 19.1 million) and the positive impact of the fair value measurement of derivative instruments.

Earnings before interest and tax (EBT)
As a result of the improved EBIT and financial result figures, first-quarter Earnings before interest and tax (EBT) rose sharply to € 36.2 million (121.5%).

Group net profit for the period
Overall, the Group reports a net profit of € 44.2 million for the period from January 1 to March 31, 2008, compared with a net profit of € 18.0 million in the corresponding period last year.

Operating results by segment

Commercial and Military Engine business (OEM segment)

Period from January 1 to March 31, 2008

Revenues
Revenues generated by commercial and military engine business in the first three months of 2008 amounted to € 379.4 million, similar to level one year earlier. Revenues for Military Engine business went up by € 3.4 million (3.1%) to € 114.1 million, while revenues from Commercial Engine business were down slightly by € 7.8 million to € 265.3 million (2.9%). Adjusted for the US dollar impact, segment revenues would have amounted to € 417.2 million and the first-quarter increase would have been € 33.4 million (8.7%).

Cost of sales and gross profit
Cost of sales include material and personnel expenses, scheduled depreciation and amortization, increases and decreases to inventories and expenses charged to MTU by consortium leaders in return for marketing new engines. At € 290.8 million, first-quarter cost of sales in the engine business was well below the previous year's figure of € 315.9 million. The segment gross profit increased by € 20.7 million thanks to the fact that cost of sales fell more than revenues. The gross profit margin improved to 23.4% (first quarter 2007: 17.7%).

Operating profit (EBITDA adjusted and margin)
Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) for the segment improved accordingly by € 26.6 million (45.1%) to € 85.6 million. The adjusted EBITDA margin improved from 15.4% to 22.6%

Commercial Maintenance (MRO segment)

Period from January 1 to March 31, 2008

Revenues
Revenues generated with Commercial Maintenance business amounted to € 258.3 million and were therefore roughly in line with first-quarter revenues last year. Adjusted for the US dollar impact, segment revenues would have amounted to € 295.1 million and the first-quarter increase would have been € 32.8 million (12.5%).

Cost of sales and gross profit
Cost of sales increased by € 8.3 million (3.6%) to € 236.7 million. The gross profit decreased accordingly by € 12.3 million to € 21.6 million. The gross profit margin slipped to 8.4%.

Operating profit (EBITDA adjusted and margin)
First-quarter adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) for the segment decreased by € 16.3 million (53.4%) to € 14.2 million. The adjusted EBITDA margin fell from 11.6% to 5.5%.

2.2 Financial position

The consolidated cash flow statement shows the sources and applications of cash flows for the first quarters of 2007 and 2008, classified into cash flows from operating, investing and financing activities.

Cash inflow from operating activities
The cash inflow from operating activities in the first quarter was € 62.1 million and hence unchanged from the previous year. Positive impact from the improved result and from lower interest payments was offset by higher tax payments and increased working capital levels.

Cash outflow from investing activities
First quarter capital expenditure on property, plant and equipment and intangible assets was € 1.0 million higher than one year earlier. Expenditure on property, plant and equipment largely related to the construction cost of a test stand for large-sized engines at MTU Maintenance Hannover GmbH, Langenhagen. The cash outflow from investing activities in the first quarter amounted to € 18.7 million (first quarter 2007: € 17.8 million).

Free cash flow
Free cash flow (the sum of the cash inflow from operating activities and the cash outflow for investing activities) totalled € 43.4 million (first quarter 2007: € 44.3 million).

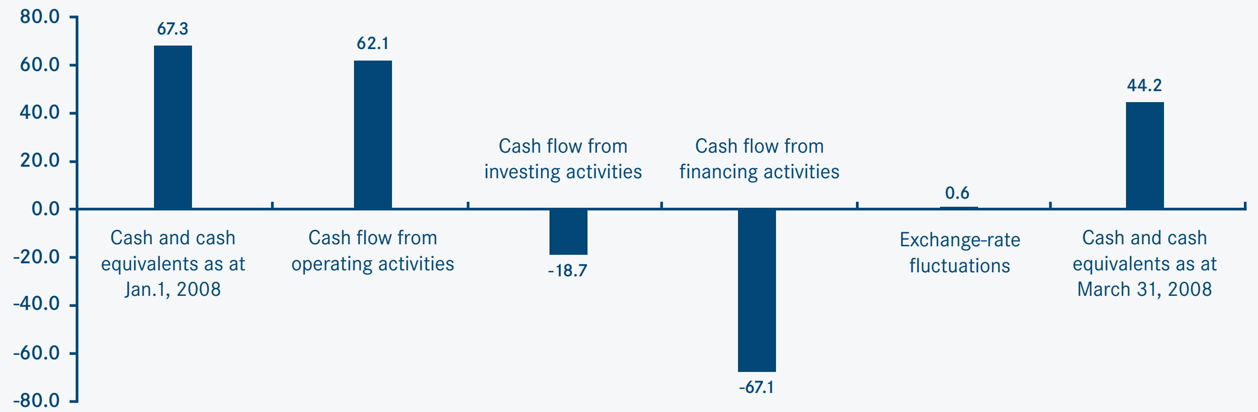
Cash outflow from financing activities

As far as financing activities were concerned, the main factor was the partial repayment of the short-term RCF overdraft of € 69.6 million taken up at the end of 2007; this amount was reduced by € 32.7 million during the first quarter 2008. In addition, there was a cash outflow of € 30.8 million for the buy-back of treasury shares, so that the total outflow from financing activities in the first quarter 2008 totalled € 67.1 million. The cash outflow in the same quarter one year earlier had been € 57.5 million, mainly due to the lower volume of treasury shares bought back.

Cash and cash equivalents

After adjustment for the effects of exchange-rate fluctuations, the various cash flows resulted in a decrease in cash and cash equivalents of € 23.1 million (first quarter 2007: decrease of € 13.0 million).

Change in Cash and cash equivalents



Net financial liabilities

Net financial liabilities are calculated as gross financial liabilities less financial assets and represent a key figure for the Group's liquidity position. Compared with December 31, 2007, net financial liabilities have gone down by € 28.0 million (12.5%). The main contributing factor here was the partial repayment of the RCF credit.

Net financial liabilities in € million	March 31, 2008	Dec. 31, 2007	Change
Convertible bond	164.6	167.3	-2.7
Financial liabilities to banks			
Revolving Credit Faciltiy (RCF)	36.9	69.6	-32.7
Other bank credits	23.4	26.5	-3.1
Financial liabilities to related companies	3.9		3.9
Finance lease liabilities	38.5	41.7	-3.2
Loan from the province of British Columbia to MTU Maintenance Canada	11.3	12.5	-1.2
Derivative financial liabilities	10.1	8.9	1.2
Gross financial debt	**288.7**	**326.5**	**-37.8**
Cash and cash equivalents	44.2	67.3	-23.1
Derivative financial instruments	49.1	35.8	13.3
Net financial liabilities	**195.4**	**223.4**	**-28.0**

2.3 Net assets position

Changes in balance sheet items

The balance sheet total increased by € 42.6 million or 1.4% compared with December 31, 2007.

While non-current assets decreased by € 11.2 million mainly as a result of scheduled amortization and depreciation on intangible assets and property, plant and equipment, current assets increased overall by € 53.8 million. This includes a € 60.4 million increase in inventories, a € 13.9 million increase in trade and contract production receivabels and a € 2.3 million increase in other current assets. Cash and cash equivalents decreased during the first quarter by € 23.1 million to € 44.2 million as a result of the cash outflow from financing activities (buy-back of treasury shares) and the cash outflow for investing activities.

Group equity increased from € 562.0 million to € 578.0 million. The net profit for the quarter (€ 44.2 million) and an increase in other comprehensive income (€ 2.3 million) contributed to an increase in equity. The purchase of further treasury shares (€ 30.8 million) had the effect of reducing equity. Information regarding the share capital reduction by withdrawal of shares for a nominal amount of € 3.0 million is provided in Note 20.

The overall increase in equity meant that the equity ratio improved marginally to 18.5% (December 31, 2007: 18.2%).

Pension provisions increased by € 4.6 million in line with schedule.

Whereas the carrying amount of other non-current provisions was largely unchanged, other current provisions went up slightly by € 5.4 million. This was mainly due to the higher level of income tax provisions compared with December 31, 2007.

Financial liabilities decreased mainly as a result of partial repayment (€ 32.7 million) of the RCF overdraft which had been drawn down on a short-term basis at the end of the previous financial year (see Note 22).

Trade payables amounted to € 459.1 million at March 31, 2008, marginally lower than the figure at the end of 2007 (€ 462.9 million).

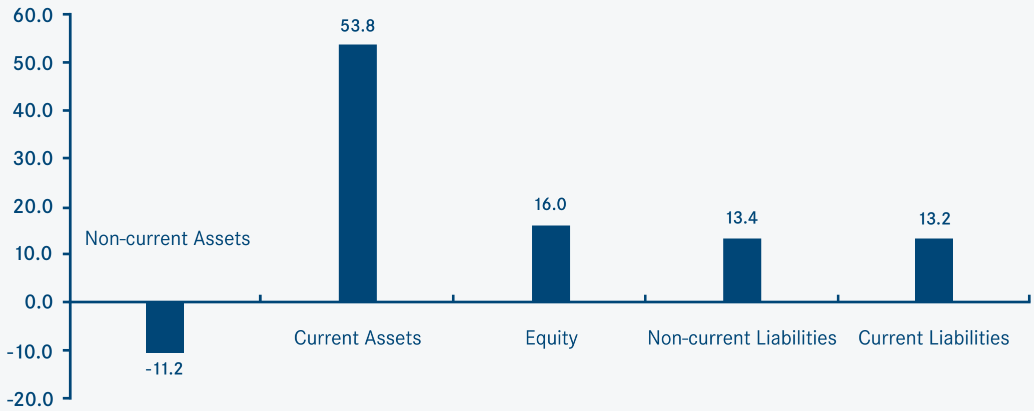
Other liabilities increased by € 56.0 million to € 606.4 million, mainly reflecting the higher level of advance payments from customers which, net of the corresponding receivables, were up by € 63.7 million. This increase was partly offset by a € 6.5 million decrease in personnel-related liabilities.

The following table shows the changes in assets and liabilities during the period from December 31, 2007 to March 31, 2008, analyzed by current and non-current items:

Change in Assets, Equity and Liabilities

(Statement of changes between December 31, 2007 and March 31, 2008)	€ million	€ million
Non-current Assets		
Intangible assets	4.1	
Property, plant and equipment	-18.4	
Financial assets	0.5	
Other assets	2.5	
Deferred tax assets	0.1	-11.2
Current Assets		
Inventories	60.4	
Trade and contract production receivables	13.9	
Other assets	2.3	
Cash and cash equivalents	-23.1	
Prepayments	0.3	53.8
Change in Assets		**42.6**
Equity		16.0
Non-current Liabilities		
Provisions	4.6	
Financial liabilities	-6.6	
Other liabilities	13.2	
Deferred tax liabilities	2.2	13.4
Current Liabilities		
Provisions	5.4	
Financial liabilities	-31.2	
Trade payables	-3.8	
Other liabilities	42.8	13.2
Change in Equity and Liabilities		**42.6**

Change in Assets, Equity and Liabilities



3 Opportunity and risk report

In the light of the positive business and general economic situation, the Group continues to believe that the opportunities and risks described in the group management report for the year ended December 31, 2007 remain relevant. For further information on opportunities and risks, reference is also made to the forward-looking section of the group management report for the financial year 2007 (section 8 for a discussion of opportunities and section 7 for a discussion of risks). Reference is also made to the disclaimer at the end of this report.

4 Forecasts and outlook

MTU's prospects for the future remain positive. Its Commercial Engine and MRO business are likely to grow faster over the next few years than the aviation sector in general.

Overall statement on the Group's performance

MTU expects its operating activities to continue to progress well during the second to fourth quarters of 2008. MTU has achieved its targets for the first quarter 2008 (as stated in the group management report for the financial year 2007) and its forecasts for the financial year (as formulated for the first time at the Annual Press Conference on March 13, 2008), and, on the basis of an assumed US dollar exchange rate of 1.50, continues to forecast that total revenues in 2008 will be at a similar level to 2007 (€ 2,600 million). Adjusted for the impact of the forecast changes in the US dollar exchange rate, group revenues are forecast to grow by between 5% and 6% in 2008.

Operating result and net profit

Based on the expected market situation for the various lines of business, MTU is aiming to achieve a group operating profit (EBITDA adjusted) for the full year 2008 of € 390 million, and hence an operating margin of approximately 15%. This forecast is based on the expectation that spare parts business within the Commercial Engine business will continue to grow and that stable progress will be made with Military business. It also forecasts that the earnings performance of the Group's Commercial MRO business will continue to stabilize.

Based on the assumption that the Group's operating targets are achieved, MTU continues to forecast a group net profit of approximately € 180 million for the financial year 2008 (group net profit 2007: € 154.1 million).

Financial position

Free cash flow for the full year 2008 is forecast to be € 100 million.

5 Report on significant transactions with related parties (entities and individuals)

MTU Group companies did not enter into any contracts with members of the Board of Management, the Supervisory Board or with other key management personnel or with companies in whose management or supervisory boards those persons are represented. The same applies to close members of the families of those persons.

Transactions with related entities are conducted on an arm's length basis.

Consolidated Income Statement

in € million	(Notes)	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Revenues		630.0	640.6
Cost of sales	(6)	-519.8	-539.0
Gross profit		**110.2**	101.6
Research and development expenses	(7)	-13.9	-17.0
Selling expenses	(8)	-17.5	-16.0
General administrative expenses	(9)	-11.8	-12.2
Other operating income and expenses		0.7	0.3
Earnings before interest and tax		**67.7**	56.7
Interest result	(10)	-3.6	-22.7
Interest income		1.3	1.8
Interest expenses		-4.9	-24.5
Result from equity accounted investments	(11)	0.5	-0.7
Financial result on other items	(12)	1.4	-3.5
Financial result		**-1.7**	-26.9
Earnings before tax		**66.0**	29.8
Income taxes	(13)	-21.8	-11.8
Net profit		**44.2**	18.0
Earnings per share in €			
Basic	(14)	0.88	0.34
Diluted	(14)	0.85	0.33

Consolidated Balance Sheet – Assets

in € million	(Notes)	March 31, 2008	Dec. 31, 2007
Non-current Assets			
Intangible assets	(15)	1,139.1	1,135.0
Property, plant and equipment	(16)	521.3	539.7
Equity investments in joint ventures		9.4	8.9
Investments in associated companies		0.4	0.4
Other investments		5.4	5.4
Financial assets		15.2	14.7
Other assets		8.7	6.2
Deferred tax assets	(19)	0.8	0.7
		1,685.1	1,696.3
Current Assets			
Inventories		648.2	587.8
Trade and contract production receivables	(17)	684.2	670.3
Othes assets	(18)	61.1	58.8
Cash and cash equivalents	(19)	44.2	67.3
Prepayments		5.3	5.0
		1,443.0	1,389.2
Total assets		**3,128.1**	3,085.5

Consolidated Balance Sheet – Equity and Liabilities

in € million	(Notes)	March 31, 2008	Dec. 31, 2007
Equity	(20)		
Subscribed capital		52.0	55.0
Capital reserves		358.9	460.0
Revenue reserves		236.1	191.9
Treasury shares		-82.7	-156.3
Other comprehensive income		13.7	11.4
		578.0	562.0
Non-current liabilities			
Pension provisions		364.1	359.5
Other provisions	(21)	255.3	255.3
Financial liabilities	(22)	60.2	66.8
Other liabilities	(23)	238.0	224.8
Deferred tax liabilities	(24)	272.0	269.8
		1,189.6	1,176.2
Current liabilities			
Pension provisions		17.1	17.1
Other provisions	(21)	287.4	282.0
Financial liabilities	(22)	228.5	259.7
Trade payables		459.1	462.9
Other liabilities	(23)	368.4	325.6
		1,360.5	1,347.3
Total equity and liabilities		**3,128.1**	3,085.5

Consolidated Statement of Changes in Equity

in € million	Sub-scribed capital	Capital reserves	Revenue reserves	Treasury shares	Other comprehensive income: Translation differences	Other comprehensive income: Derivative financial intruments	Other comprehensive income: Subtotal	Total
Balance at Jan. 1, 2007	**55.0**	**455.7**	**81.4**	**-42.7**	**-2.6**	**15.5**	**12.9**	**562.3**
Financial instruments (forward foreign exchange contracts)						-1.0	-1.0	**-1.0**
Translation differences					-0.2		-0.2	**-0.2**
= Income and expenses recognized directly in equity					**-0.2**	**-1.0**	**-1.2**	**-1.2**
Net profit for the period			18.0					**18.0**
= Total income and expense for the period			**18.0**		**-0.2**	**-1.0**	**-1.2**	**16.8**
Equity portion of convertible bond		10.5						**10.5**
Transaction costs (net of tax)		-2.0						**-2.0**
Purchase of treasury shares				-6.7				**-6.7**
Matching Stock Program (MSP)		0.3						**0.3**
Balance at March 31, 2007	**55.0**	**464.5**	**99.4**	**-49.4**	**-2.8**	**14.5**	**11.7**	**581.2**
Balance at Jan. 1, 2008	**55.0**	**460.0**	**191.9**	**-156.3**	**-6.2**	**17.6**	**11.4**	**562.0**
Financial instruments (forward foreign exchange contracts)						4.0	4.0	**4.0**
Translation differences					-1.7		-1.7	**-1.7**
= Income and expenses recognized directly in equity					**-1.7**	**4.0**	**2.3**	**2.3**
Net profit for the period			44.2					**44.2**
= Total income and expense for the period			**44.2**		**-1.7**	**4.0**	**2.3**	**46.5**
Purchase of treasury shares				-30.8				**-30.8**
Cancellation of shares/share capital decrease	-3.0	-101.4		104.4				
Matching Stock Program (MSP)		0.3						**0.3**
Balance at March 31, 2008	**52.0**	**358.9**	**236.1**	**-82.7**	**-7.9**	**21.6**	**13.7**	**578.0**

Consolidated Cash Flow Statement

in € million	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Net profit	**44.2**	18.0
Amortization of intangible assets and depreciation of property, plant and equipment	30.6	33.9
Profit/loss of companies accounted for using the equity method	-0.5	0.7
Profit/loss on disposal of fixed assets	0.1	
Increase/decrease in pension provisions	4.6	6.3
Increase/decrease in other provisions	-6.0	-33.4
Other non-cash items	-9.5	-0.7
Movements in working capital *)	-10.1	14.2
Interest income and expense	3.6	22.7
Income tax expense/refunds	21.8	11.8
Income tax paid/received	-10.4	13.3
Cash generated from operations	**68.4**	86.8
Interest paid	-7.6	-26.5
Interest received	1.3	1.8
Cash flow from operating activities	**62.1**	62.1
Payments for investmens in		
Intangible assets	-0.6	-5.0
Property, plant and equipment	-18.3	-12.9
Proceeds from disposal of		
Property, plant and equipment	0.2	0.1
Cash flow from investing activities	**-18.7**	-17.8
Free cash flow	**43.4**	44.3
Proceeds from the issue of a convertible bond **)		176.7
Repayment of non-current financial liabilities	-5.6	-170.0
Purchase of treasury shares	-30.8	-6.7
Repayment of current financial liabilities	-30.7	-57.5
Cash flow from financing activities	**-67.1**	**-57.5**
Exchange rate	0.6	0.2
Change in cash and cash equivalents	**-23.1**	-13.0
Cash and cash equivalents at beginning of financial year	67.3	102.2
Cash and cash equivalents at March 31	44.2	89.2
Revolving credit facility (see note 22)	-36.9	-10.7
Net liquidity at March 31	**7.3**	**78.5**

*) Sum of increase/decrease in inventories, receivables and liabilities (excl. derivatives)
**) Without transaction costs

Notes to the Consolidated Financial Statements

1 General Information

MTU Aero Engines Holding AG and its subsidiary companies (hereafter referred to as “Group” or “Group Companies“) comprise one of the world’s leading manufacturers of engine modules and components, and the world’s leading independent provider of commercial engine MRO services.

The business activities of the Group cover the entire life-cycle of an engine program, i.e. from development, construction, testing and production of new commercial and military engines and spare parts, through to maintenance, repair and overhaul of commercial and military engines. MTU’s activities focus on two segments: “Commercial and Military Engine business (OEM)”, and “Commercial Maintenance business (MRO)”.

MTU’s Commercial Engine business covers the development and production of modules, components and spare parts for commercial engine programs, including final assembly. MTU’s Military Engine business focuses on the development and production of modules and components for engines, production of spare parts and final assembly as well as maintenance services for these engines. The Commercial Maintenance business segment includes activities in the area of maintenance and logistical support for commercial engines.

MTU Aero Engines Holding AG with its headquarters at Dachauer Str. 665, 80995 Munich, Germany, is registered under HRB 157 206 in the Commercial Registry at the District Court of Munich.

2 Financial reporting

In accordance with the regulations of § 37 (3) WpHG (Securities Trading Act) MTU’s quarterly financial report comprises an interim group management report and interim consolidated financial statements. The interim group management report has been drawn up in compliance with the applicable regulations of the Securities Trading Act. The interim consolidated financial statements have been drawn up in compliance with IFRS rules, as applicable in the EU, relevant for interim reporting.

3 Statement of Compliance

The interim consolidated financial statements as at March 31, 2008 have been drawn up in compliance with IAS 34. The same accounting policies have been applied as in the consolidated financial statements for the financial year 2007. As permitted by IAS 34, MTU has elected to provide condensed information in its interim consolidated financial statements compared with the consolidated financial statements as at December 31, 2007. All of the IFRSs applied by MTU (as issued by the International Accounting Standards Board (IASB) and applicable at the balance sheet date) have been endorsed by the European Commission for use in the EU. The interim report therefore also complies with IFRSs issued by the IASB.
From the perspective of management, the quarterly financial report contains all customary accounting adjustments necessary for a fair presentation of the operating results, financial situation and net assets of the Group. The quarterly financial report has neither been audited nor subject to a limited review by the group auditor. Reference is made to the notes to the consolidated financial statements as at December 31, 2007 for further information regarding the basis of preparation and accounting policies used.

4 Restatement of previously reported interim periods

The line items „interest income“, „interest expenses“, „income tax income“, „income tax expense“, „income tax paid“ and „income tax received“ were all disclosed separately in the notes to the consolidated financial statements for the financial year 2007 as part of the operating cash flow. The line items „interest paid“ and „interest received“ therefore represent reconciling items between operating cash flow and cash flow from operating activities. The figures presented for the first quarter 2007 have been restated for comparison purposes.

Administrative processes have been reorganized as part of the Impact 06 project, resulting in small changes in the way costs are allocated to the selling and administrative functions. These changes did not have any impact on the result or on key figures reported. For comparability reasons, the previous year’s cost categories within the selling and administrative functions have been restated in accordance with IAS 34.43.

In order to improve the overall value of the information in the financial statements – in particular in view of the rules contained in IFRS 7 which are applicable from 2007 onwards – the financial result has been sub-divided from the financial year 2007 onwards into the interest result, the result from investments accounted for using the equity method and other financial result. The previous year’s figures have been restated for comparability reasons, applying the same accounting policies as in the consolidated financial statements for the financial year 2007 and without any impact on results.

5 Consolidated companies

In total, six German and five foreign subsidiaries are included in the consolidated financial statements of MTU Aero Engines Holding AG. Pratt & Whitney Canada Customer Service Centre Europe GmbH, Ludwigsfelde, is consolidated at equity, and MTU Maintenance Zhuhai Co. Ltd., Zhuhai, China, is consolidated proportionately. Two subsidiaries are not consolidated on the grounds of immateriality.

Notes to the Consolidated Income Statement

6 Cost of sales

Cost of sales

in € million	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Cost of materials	-397.3	-417.3
Personnel expenses	-93.5	-90.0
Depreciation and amortization	-27.9	-31.2
Other cost of sales	-1.1	-0.5
	-519.8	-539.0

7 Research and development expenses

Research and development expenses

in € million	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Cost of materials	-0.9	-2.8
Personnel expenses	-12.0	-12.7
Depreciation and amortization	-1.6	-1.5
	-14.5	-17.0
Capitalized development costs	0.6	
	-13.9	-17.0

8 Selling expenses

Selling expenses

in € million	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Cost of materials	-2.2	-2.2
Personnel expenses	-10.4	-10.0
Depreciation and amortization	-0.6	-0.6
Other selling expenses	-4.3	-3.2
	-17.5	-16.0

Selling expenses mainly comprise of expenses for marketing, advertising and sales personnel, valuation allowances and write-downs on trade accounts receivable.

9 General administrative expenses

General administrative expenses

in € million	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Cost of materials	-1.2	-1.7
Personnel expenses	-7.6	-7.5
Depreciation and amortization	-0.5	-0.6
Other administrative expenses	-2.5	-2.4
	-11.8	-12.2

General administrative expenses relate to expenditure for administrative functions that are not allocated to development, production or selling.

10 Interest result

Interest result		
in € million	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Interest income	1.3	1.8
Interest expenses		
Bank interest	-1.4	-0.8
Loan interest		-2.1
Convertible bond	-2.2	-1.4
Expense resulting from early repayment of high yield bond		-19.1
Finance lease interest expense	-0.6	-0.6
Interest expense attributable to non-consolidated companies	-0.2	-0.1
Other interest expenses	-0.5	-0.4
	-4.9	-24.5
	-3.6	-22.7

11 Result from equity accounted investments

Result from equity accounted investments		
in € million	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Result from equity accounted investments	0.5	-0.7
	0.5	-0.7

The result from equity accounted investments includes the profit resulting from the joint arrangement Pratt & Whitney Canada Customer Centre Europe GmbH, Ludwigsfelde, amounting to € 0.5 million (first quarter 2007: loss of € 0.7 million).

12 Financial result on other items

Financial result on other items		
in € million	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Effects of changes of foreign exchange rates		
Exchange rate gains/losses on currency holdings	-4.2	-1.1
Exchange rate gains/losses on financing transactions	1.2	0.3
Exchange rate gains/losses on finance leases	1.1	0.2
Fair value gains/losses on derivatives		
Gains/losses on currency derivatives and interest rate derivatives	6.9	0.6
Losses on forward commodity sales contracts	2.4	1.0
Results from other financial instruments	-0.7	0.4
Interest portion included in measurement of receivables, provisions, liabilities and advance payments from customers	-5.3	-4.9
	1.4	-3.5

13 Income taxes

Income tax expense comprises the following:

Income taxes		
in € million	Jan. 1 to March 31, 2008	Jan. 1 to March 31, 2007
Current tax expense	-21.7	-5.4
Deferred tax expense	-0.1	-6.4
	-21.8	-11.8

14 Earnings per share

Potential ordinary shares that can be issued in conjunction with the convertible bond (issued on February 1, 2007) and the Matching Stock Program (MSP) set up on June 6, 2005 had a diluting effect on earnings per share in the first quarter 2008. For the purposes of determining diluted earnings per share, the maximum number of shares that could be exercised in conjunction with conversion rights is added to the weighted average number of ordinary shares in circulation. In parallel, group earnings are adjusted by the amount of post-tax interest expense relating to the convertible bond.

The following table shows earnings per share as well as the dilutive impact of shares that could be issued in conjunction with the convertible bond and the Matching Stock Program.

Basic and diluted earnings per share						
		Jan. 1 to March 31, 2008				Jan. 1 to March 31, 2008
		Basic earnings per share	Financial instruments reconciliation			Diluted earnings per share
			Interest expense convertible bond/ shares	Current and deferred taxes	Matching Stock Program/ shares	
Net profit	in € million	44.2	2.2	-0.7		45.7
Weighted average number of outstanding shares	shares	50,096,666	3,636,364		63,927	53,796,957
Earnings per share	in €	**0.88**				**0.85**

Basic and diluted earnings per share						
		Jan. 1 to March 31, 2007				Jan. 1 to March 31, 2007
		Basic earnings per share	Financial instruments reconciliation			Diluted earnings per share
			Interest expense convertible bond/ shares	Current and deferred taxes	Matching Stock Program/ shares	
Net profit	in € million	18.0	1.4	-0.6		18.8
Weighted average number of outstanding shares	shares	53,266,684	3,636,364		283,185 *)	57,186,233
Earnings per share	in €	**0.34**				**0.33**

*) after repricing (for comments on repricing please refer to the notes to the Consolidated Financial Satatements 2007)

Notes to the Consolidated Balance Sheet

15 Intangible assets

Intangible assets comprise, as at the end of the previous year, program/product values and program-independent technologies recognized in conjunction with the purchase price allocation, software (mainly technical) and purchased goodwill.

Additions to intangible assets during the first quarter 2008 amounted to € 0.6 million (first quarter 2007: € 5.0 million) and related primarily to capitalized development costs.

The amortization expense for the first quarter 2008 was € 11.8 million (first quarter 2007: € 13.1 million).

16 Property, plant and equipment

Capital expenditure for property, plant and equipment during the first quarter 2008 was € 18.3 million (first quarter 2007: € 12.9 million). The depreciation expense for the same period amounted to € 18.8 million (first quarter 2007: € 20.8 million).

17 Inventories

Inventories comprise the following:

Inventories

in € million	March 31, 2008	Dec. 31, 2007
Raw materials and supplies	298.6	263.9
Work in progress	338.1	314.5
Advance payments	11.5	9.4
	648.2	587.8

18 Trade and contract production receivables

Trade receivables and contract production receivables comprised the following:

Trade and contract production receivables

in € million	March 31, 2008	Dec. 31, 2007
Trade receivables		
Third parties	430.7	440.8
Associated companies	61.7	54.5
Joint ventures	1.0	3.9
Contract production receivables		
Accounts receivable for production contracts	399.3	367.5
Advance payments received for production contracts	-208.5	-196.4
	684.2	670.3

19 Other assets

Other assets comprise:

Other assets

in € million	March 31, 2008 Current	Non-current	Total	Dec. 31, 2007 Current	Non-current	Total
Tax refund claims						
Income taxes	2.8		2.8	2.7		2.7
Other taxes	6.8		6.8	14.3		14.3
Receivable from employees	1.1		1.1	1.1		1.1
Receivable from suppliers	3.4		3.4	3.2		3.2
Fair value of derivatives						
Currency derivatives	31.2	2.7	33.9	24.3	2.1	26.4
Interest rate derivatives		2.1	2.1		0.2	0.2
Option derivatives	12.8		12.8	9.2		9.2
Forward commodity contracts	0.2	0.1	0.3			
Sundry other assets	2.8	3.8	6.6	4.0	3.9	7.9
	61.1	**8.7**	**69.8**	58.8	6.2	65.0

20 Equity

Changes in shareholders' equity during the period from January 1 to March 31, 2008 are shown in the Statement of Changes in Shareholders' Equity.

Share capital reduction by cancellation of shares

At the Annual General Meeting of MTU on April 27, 2007, the shareholders authorized the Board of Management to acquire treasury shares via the stock exchange, up to a maximum of 10% of the share capital in place at the date of the resolution and to withdraw these shares from circulation without any further resolution by the Annual General Meeting. The authorization is valid until October 27, 2008. In conjunction with this authorization, the Board of Management acquired a total of 5,369,663 treasury shares (9.8%). These shares were acquired in order to enable the Company to issue shares in connection with its contractual conversion commitments arising from the convertible bond and the Matching Stock Program.

The shareholders passed a resolution at the Annual General Meeting on April 27, 2007, authorizing the Board of Management to cancel – with the approval of the Supervisory Board and without any requirement for a further resolution to be taken at the Annual General Meeting – the bought-back shares either in full or in part. The shares can also be cancelled in a simplified procedure – without a share capital reduction – by reducing the amount of share capital allocated to the remaining shares of the Company. The cancellation may be limited to a part of the bought-back shares. If the cancellation is carried out using the simplified procedure, the Board of Management is authorized to amend the number of shares in the Company's Articles of Incorporation. In conjunction with their authorization, the Board of Management and the Supervisory Board resolved with effect from March 18, 2008 to cancel 3,000,000 shares and to reduce the Company's share capital by € 3.0 million from € 55.0 million to € 52.0 million.

20.1 Capital reserves

Capital reserves include premiums arising on the issue of shares, the equity component (and proportionate transaction costs) of the convertible bond and the fair values recorded for the Matching Stock Program. The average acquisition cost for the 3,000,000 cancelled treasury shares was € 104.4 million. Capital reserves were therefore reduced by the relevant premium of € 101.4 million.

Matching Stock Program

In order to strengthen its ability to achieve business targets, the Group created the Matching Stock Program (MSP) as a long-term remuneration instrument – with both incentive and risk character – to involve management in the ownership of the Company. The MSP entitled qualifying individuals to subscribe to so-called "Phantom Stocks". Participants in MSP must be in a non-terminated service or employment relationship with MTU Aero Engines Holding AG or one of its German subsidiaries at the date of subscription to such shares. The fair value of the Phantom Stocks is recognized on a time-apportioned basis as personnel expense and, at the same time, within equity (capital reserves) until the exercise date (vesting date). The total expense, recognized over the period until the Phantom Stocks are exercised, is determined on the basis of the fair value of the Phantom Stocks granted.

20.2 Revenue reserves

Revenue reserves comprise the post-acquisition and non-distributed earnings of consolidated group companies and the group net profit for the first quarter 2008. As a result, revenue reserves increased during the period from January to March 31, 2008 by € 44.2 million (first quarter 2007: € 18.0 million).

20.3 Treasury shares

In conjunction with the authorization to buy back and use treasury shares pursuant to § 71 (1) no. 8 of the German Stock Corporation Act (see also capital reduction by withdrawal of shares; Note 20), the Board of Management bought back a total of 5,369,663 treasury shares at a total purchase price of € 192.2 million and a average price of € 35.80 via the stock exchange up to the end of March 2008.

Of the 5,369,663 shares bought back by the end of March 2008, 112,612 shares have been issued to the Board of Management and senior management in conjunction with the Matching Stock Program (MSP). On the basis of the resolution taken by the Board of Management and the Supervisory Board on March 18, 2008, to reduce the Company's share capital by cancellation of 3,000,000 shares, the number of treasury shares held was decreased to 2,257,051 treasury shares. This corresponds to 4.3% of the Company's share capital. Equity is reduced by the amount of the purchase price attributable to the treasury shares held. Transaction costs incurred in conjunction with the buy-back were recognized directly in equity (net of income taxes). The average acquisition costs relating to cancelled treasury shares reduced capital reserves by € 101.4 million and subscribed capital by € 3.0 million.

As a result of the bought-back treasury shares, the issue of shares to group employees in conjunction with the exercise of the first tranche of the Matching Stock Program and the share capital carried out in March 2008 by cancellation of shares, the weighted average number of shares in circulation during the period to March 31, 2008 was 50,096,666 shares (first quarter 2007: 53,266,684). At March 31, 2008, a total of 49,742,949 MTU Aero Engines Holding AG shares, each with a par value of € 1, were in issue (March 31, 2007: 53,174,839 shares).

The following table shows how the number of bought back shares, the month-end number of shares and the weighted average number of shares in circulation have changed.

Reconciliation of weighted average number of shares with the actual number of shares in circulation

	2008			2007		
Number of shares	**Balance at beginning of month**	**Buyback Cancellation Exercise MSP**	**Balance at end of month**	Balance at beginning of month	Buyback	Balance at end of month
Balance at January 1	**50,729,590**	**-4,270,410**		53,349,117	-1,650,883	
January	50,729,590	-337,168	50,392,422	53,349,117		53,349,117
February	50,392,422	-237,796	50,154,626	53,349,117	-73,020	53,276,097
March	50,154,626	-411,677	**49,742,949**	53,276,097	-101,258	53,174,839
Share buyback/ exercise of MSP*)		**-5,257,051**			-1,825,161	
Share cancelled		**3,000,000**				
Treasury shares (March 31)		**-2,257,051**			-1,825,161	
Weighted average March 31			**50,096,666**			53,266,684

*) The 2008 figure (accumulative) includes 112,612 shares issued to employees in June 2007 in conjunction with the Matching Stock Program (see Notes to the Consolidated Financial Statements 2007)

20.4 Other comprehensive income

Other comprehensive income consists of all amounts recognized directly in equity resulting from the translation of the financial statements of foreign subsidiaries, the effects of recognizing changes in the fair value of financial instruments directly in equity (where the conditions for hedge accounting are met), net of related deferred taxes recognized directly in equity.

21 Other provisions

Other provisions comprise primarily personnel-related obligations, pending losses and warranties and tax obligations. Contingent liabilities are measured in accordance with IFRS 3.48 (b). As in the past, obligations arising from contingent liabilities are measured on the basis of periods of between nine and fifteen years. Provisions for pending losses on onerous contracts relate to risks concerning the order backlog for Military Engine business and Commercial MRO business.

22 Financial liabilities

Obligations of group entities that are subject to interest are reported as financial liabilities. These comprise the following at the relevant reporting dates:

Financial liabilities

in € million	Current Due within one year March 31, 2008	Current Due within one year Dec. 31, 2007	Non-Current Due in more than one and less than 5 years March 31, 2008	Non-Current Due in more than one and less than 5 years Dec. 31, 2007	Non-Current Due in more than 5 years March 31, 2008	Non-Current Due in more than 5 years Dec. 31, 2007	Total March 31, 2008	Total Dec. 31, 2007
Bonds								
Convertible bond	163.8	162.8					163.8	162.8
Interest liability on convertible bond	0.8	4.5					0.8	4.5
Liabilities to banks								
Revolving Credit Facility (RCF)	36.9	69.6					36.9	69.6
Other liabilities to banks	7.6	9.5	15.8	17.0			23.4	26.5
Liabilities to related companies	3.9						3.9	
Other financial liabilities								
Finance lease liabilities	8.3	8.3	15.1	15.6	15.1	17.8	38.5	41.7
Loan from the province of British Columbia to MTU Maintenance Canada			11.3	12.5			11.3	12.5
Derivative financial liabilities	7.2	5.0	2.9	3.9			10.1	8.9
	228.5	259.7	**45.1**	49.0	**15.1**	17.8	**288.7**	326.5

The currency used to finance the Group is the Euro. This relates mainly to loans, a convertible bond issue and bank overdrafts (Revolving Credit Facility). As part of this facility, an overdraft facility of € 250.0 million is in place with a consortium of banks. As part of this credit facility, direct credit agreements for € 40.0 million (ancillary facilities) have been agreed directly with three banks.

As at March 31, 2008, the Group has drawn down an amount of € 36.9 million (December 31, 2007: € 69.6 million) out of these bilateral credit facilities totalling € 120.0 million. Of the remaining credit facilities totalling € 213.1 million, a further € 17.2 million (December 31, 2007: € 16.5 million) are being utilized for guarantees. Interest on credit facilities actually drawn down is charged on the basis of customary interest reference rates plus a margin. A small commitment fee is paid on credit facilities which are not being utilized.

On January 23, 2007 and taking effect on February 1, 2007, MTU Aero Engines Finance B.V., Amsterdam, Netherlands, issued a convertible bond with a total volume of € 180.0 million (divided into 1,800 partial bonds). The security has a par value of € 100,000 per bond and a term to maturity of five years. The bonds can be converted into registered non-par value common shares of the company corresponding to a proportionate amount (€ 1 per share) of the company's total share capital. The bonds are entitled to receive profits from the beginning of the financial year in which they are issued and the subscription rights of existing shareholders are excluded.

At a conversion price of € 49.50, the conversion ratio at issue date was 2,020.20. The coupon rate is fixed at 2.75%, payable yearly on February 1. The issuing company is Amsterdam-based MTU Aero Engines Finance B.V., which was incorporated on January 19, 2007, and is wholly owned by MTU Aero Engines Holding AG.

The present value of the future contractually agreed cash flows under the Convertible Bonds Underwriting Agreement dated January 23, 2007 has been discounted using a market interest rate i.e. the rate the Company would have had to pay if it had issued a non-convertible bond. The interest expense that will be recognized over the term of the convertible loan results from unwinding the obligation using the market interest used to determine its present value.

23 Other liabilities

Other liabilities comprise the following items:

Other liabilities

in € million	Current: Due within one year, March 31, 2008	Current: Due within one year, Dec. 31, 2007	Non-Current: Due in more than one and less than 5 years, March 31, 2008	Non-Current: Due in more than one and less than 5 years, Dec. 31, 2007	Non-Current: Due in more than 5 years, March 31, 2008	Non-Current: Due in more than 5 years, Dec. 31, 2007	Total March 31, 2008	Total Dec. 31, 2007
Contract production								
Advance payments received for contract production	390.2	333.7	321.7	302.4			711.9	636.1
Accounts receivable for contract production	-100.4	-94.6	-108.1	-101.8			-208.5	-196.4
Taxes payable	12.9	11.2					12.9	11.2
Social security	1.8	2.1					1.8	2.1
Employees	46.2	52.6	1.2	1.3			47.4	53.9
Accrued interest expense			10.1	10.1			10.1	10.1
Sundry other liabilities	17.7	20.6	10.5	10.3	2.6	2.5	30.8	33.4
	368.4	325.6	**235.4**	222.3	**2.6**	2.5	**606.4**	550.4

24 Deferred tax liabilities

Income tax liabilities

in € million	March 31, 2008	Dec. 31, 2007
Deferred tax liabilities	272.0	269.8
	272.0	269.8

25 Segment information by business segment

The activities of the various segments are described in the consolidated financial statements of MTU Aero Engines Holding AG at December 31, 2007. Segment information for the first quarter 2008 is as follows:

Primary segment information 2008

in € million	Commercial and military engine business (OEM) Jan. 1 to March 31, 2008	Commercial Maintenance (MRO) Jan. 1 to March 31, 2008	Consolidation/ reconciliation Jan. 1 to March 31, 2008	Group Jan. 1 to March 31, 2008
Revenues with third parties	**375.5**	**254.5**		**630.0**
Commercial	261.4	254.5		515.9
Military	114.1			114.1
Revenues with other segments	**3.9**	**3.8**	**-7.7**	
Commercial	3.9	3.8	-7.7	
Military				
Total revenues	**379.4**	**258.3**	**-7.7**	**630.0**
Commercial	265.3	258.3	-7.7	515.9
Military	114.1			114.1
Cost of sales	**-290.8**	**-236.7**	**7.7**	**-519.8**
Gross Profit	**88.6**	**21.6**		**110.2**
Earnings before interest and tax (EBIT)	**61.8**	**7.4**	**-1.5**	**67.7**
Depreciation and amortization	**23.8**	**6.8**		**30.6**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**85.6**	**14.2**	**-1.5**	**98.3**
Earnings before interest, tax, depreciation and amortization (EBITDA adjusted)	**85.6**	**14.2**	**-1.5**	**98.3**
Interest and other financial result	**5.0**	**-3.6**	**-3.6**	**-2.2**
Result from equity accounted investments		**0.5**		**0.5**
Internal allocation	-1.5	1.5		
Earnings before tax (EBT)	**65.3**	**5.8**	**-5.1**	**66.0**
Investments in intangible assets and property, plant and equipment	**7.1**	**11.8**		**18.9**
Segment assets	**2,760.9**	**917.3**	**-550.1**	**3,128.1**
- thereof: Goodwill	296.3	94.6		390.9
- thereof: equity accounted investments		5.1		5.1
Segment liabilities	**1,939.1**	**541.7**	**69.3**	**2,550.1**
Significant non-cash expenses	**14.3**	**2.1**		
Employees, quarter average	**4,624**	**2,532**		**7,156**
Key segment data:				
Gross profit in %	23.4	8.4		17.5
EBIT in %	16.3	2.9		10.7
EBITDA (adjusted) in %	22.6	5.5		15.6

Primary segment information 2007

in € million	Commercial and military engine business (OEM) Jan. 1 to March 31, 2007	Commercial Maintenance (MRO) Jan. 1 to March 31, 2007	Consolidation/ reconciliation Jan. 1 to March 31, 2007	Group Jan. 1 to March 31, 2007
Revenues with third parties	**380.4**	**260.2**		**640.6**
Commercial	269.7	260.2		529.9
Military	110.7			110.7
Revenues with other segments	**3.4**	**2.1**	**-5.5**	
Commercial	3.4	2.1	-5.5	
Military				
Total revenues	**383.8**	**262.3**	**-5.5**	**640.6**
Commercial	273.1	262.3	-5.5	529.9
Military	110.7			110.7
Cost of sales	**-315.9**	**-228.4**	**5.3**	**-539.0**
Gross Profit	**67.9**	**33.9**	**-0.2**	**101.6**
Earnings before interest and tax (EBIT)	**33.5**	**22.1**	**1.1**	**56.7**
Depreciation and amortization	**25.5**	**8.4**		**33.9**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**59.0**	**30.5**	**1.1**	**90.6**
Earnings before interest, tax, depreciation and amortization (EBITDA adjusted)	**59.0**	**30.5**	**1.1**	**90.6**
Interest and other financial result	**-5.7**	**-0.7**	**-19.8**	**-26.2**
Result from equity accounted investments		**-0.7**		**-0.7**
Internal allocation	-1.1	1.1		
Earnings before tax (EBT)	**26.7**	**21.8**	**-18.7**	**29.8**
Investments in intangible assets and property, plant and equipment	**13.6**	**4.3**		**17.9**
Segment assets	**2,760.0**	**873.0**	**-562.8**	**3,070.2**
- thereof: Goodwill	296.3	96.1		392.4
- thereof: equity accounted investments		6.5		6.5
Segment liabilities	**2,029.2**	**508.5**	**-48.7**	**2,489.0**
Significant non-cash expenses	**5.5**	**1.1**		
Employees, quarter average	**4,671**	**2,390**		**7,061**
Key segment data:				
Gross profit in %	17.7	12.9		15.9
EBIT in %	8.7	8.4		8.9
EBITDA (adjusted) in %	15.4	11.6		14.1

Financial calendar

Annual General Meeting for the financial year 2007	April 30, 2008
Half-yearly financial report to June 30, 2008	July 24, 2008
Teleconferences on results to June 30, 2008	July 24, 2008
2008 conference with analysts and investors	September 26, 2008
Quarterly financial report to September 30, 2008	October 23, 2008
Teleconferences on results to September 30, 2008	October 23, 2008

Contacts

Investor Relations
Telephone +49 (0) 89-1489-8313
Telephone +49 (0) 89-1489-3911
Fax +49 (0) 89-1489-95062
E-Mail Inka.Koljonen@mtu.de
Claudia.Heinle@mtu.de

Translation

The German version takes precedence

MTU Aero Engines Holding AG on the Internet

- Further information about MTU Aero Engines Holding AG can be obtained via the Internet at: www.mtu.de

- Investor Relations information is available directly at http://www.mtu.de/de/investorrelations/index.html

- Information about MTU Aero Engines Holding AG's can be obtained at: www.mtu.de/de/programme/index.html

Disclaimer

This report (in particular the section “Forecasts and Outlook“ contains forward-looking assertions which reflect the current view of the management of MTU with regard to future events. Those disclosures are characterized by terms such as “expect“, “is likely that“, “assume“, “intend“, “estimate“, “aim“, “set as target“, “forecast”, “outlook“ and similar phrases and generally include information relating to expectations or targets for revenues, adjusted EBITDA or other performance measures. Forward-looking assertions are based on the latest forecasts, assessments and expectations. Such information should therefore be carefully considered. Assertions of this kind are subject to risk factors and uncertainties which are often difficult to assess and which are generally not within the control of MTU. Such factors may unfavorably affect revenues and expenses. If these or other risk factors and uncertainties do in fact materialize, or if the assumption on which assertions are based turn out to incorrect, MTU’s actual earnings may vary from those contained in, or implied by, these assertions. MTU cannot guarantee that expectations or targets will be met. MTU does not accept any responsibility for updating future-looking assertions by taking account of any new information or future events or other matters.

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MTU Aero Engines Holding AG
Dachauer Straße 665
80995 Munich • Germany
Tel. +49 89 1489-0
Fax +49 89 1489-5500
www.mtu.de