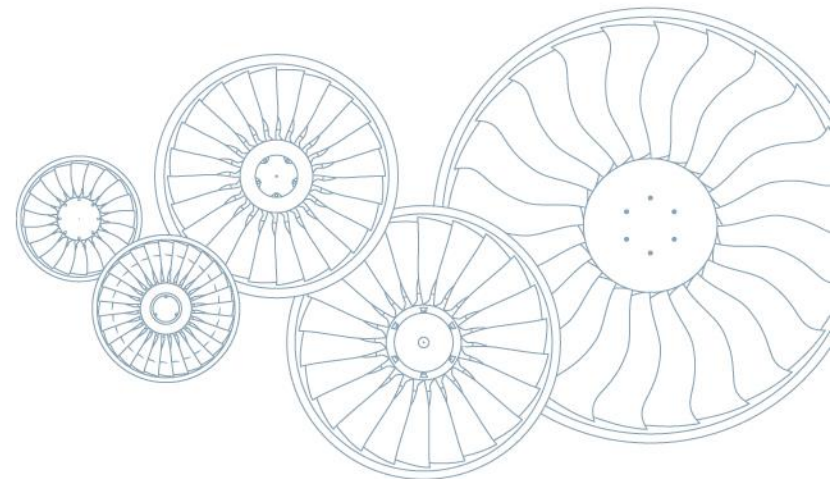




Q3 2015 Results- MTU Aero Engines

Conference Call with Investors and Analysts
26 October 2015



Agenda

- **Business Highlights**
- Group key figures
- Commercial and Military OEM
- Commercial MRO
- Guidance 2015
- Appendix

Business Highlights Q3 2015

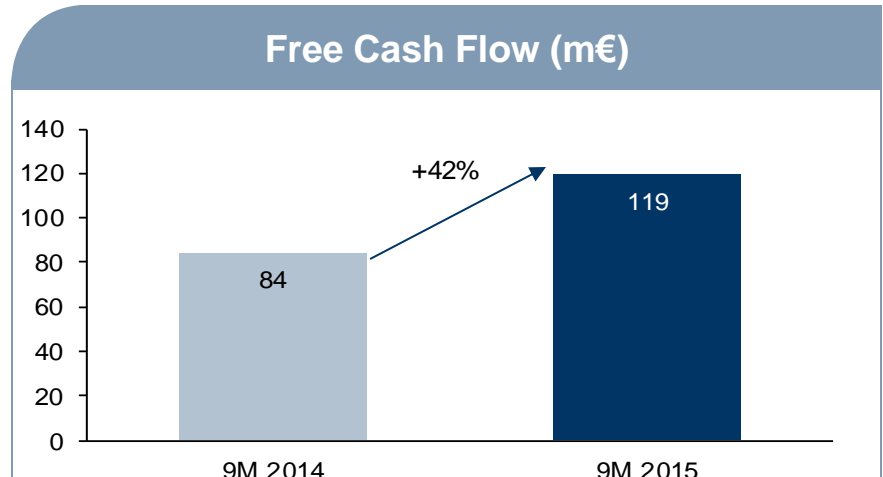
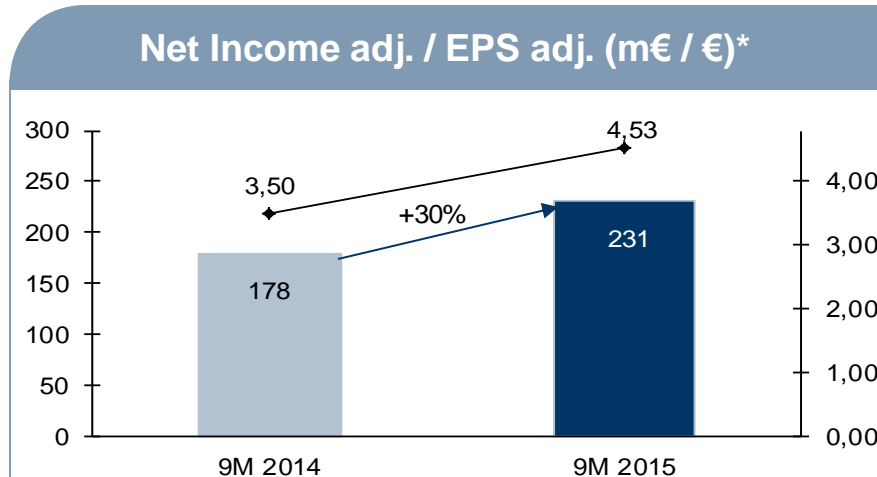
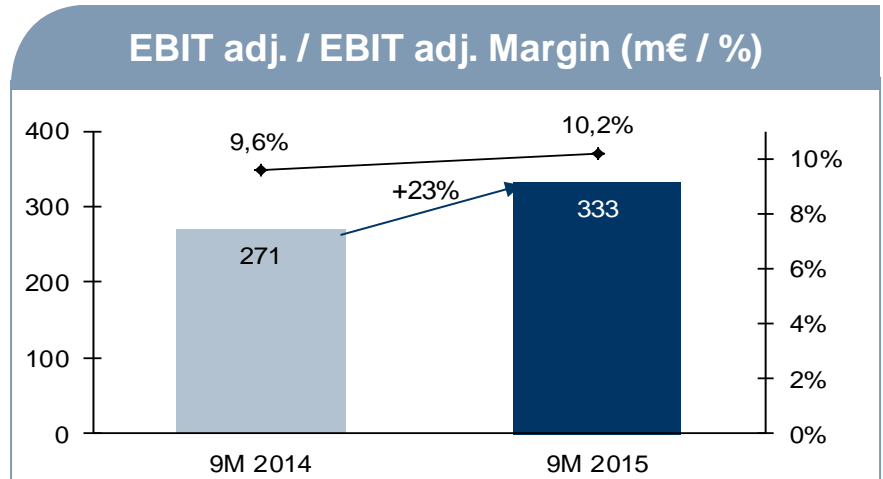
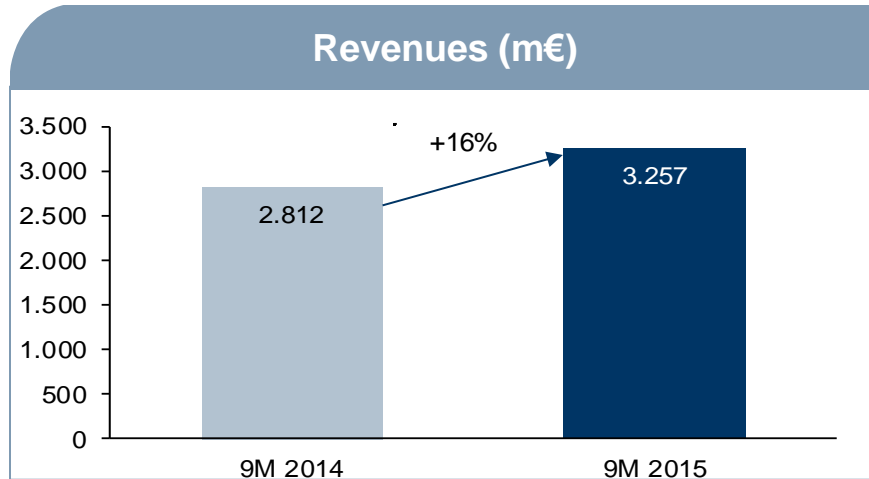
- Strong passenger traffic in Aug 2015
- Passenger load factor at all time high
- Ramp up successfully initiated
- Moody's and Fitch confirmed their Investment grade rating for MTU
- 9M results in line with our year end expectations



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Financial Highlights 9M 2015

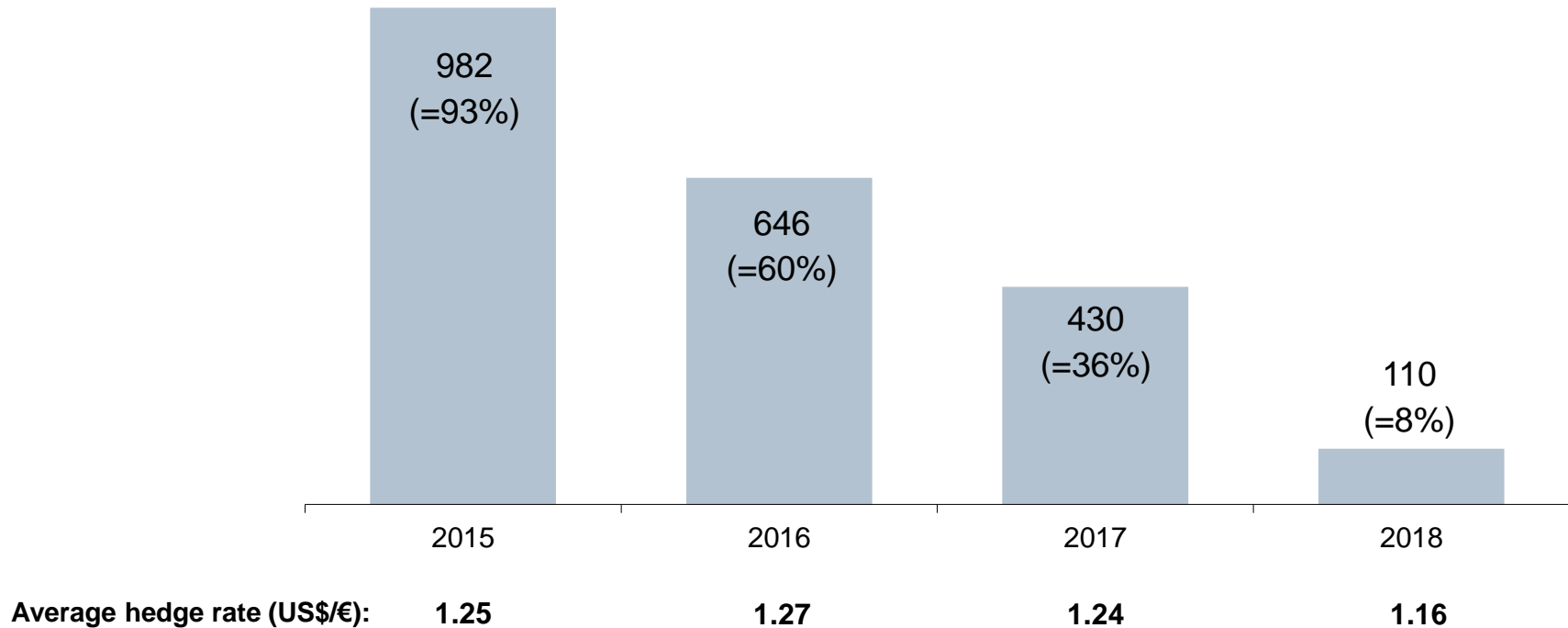


* w/o market-to-market valuations of US\$, options and others

US\$ Exchange Rate / Hedge Portfolio

Hedge book as of October 26, 2015 (*% of net exposure*)

(mUS\$)



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Commercial OEM Business

- A320neo on track for EIS 2015
- MTU final assembly line for GTF engine in preparation
- First flight of MRJ with the GTF engine will take place end of Oct 15
- Optimization of V2500 FHA agreements on track
- Manufacturing of the GE9x flowpath hardware has started
- MTU participates in the new enhanced LM6000PF+ aeroderivative gas turbine by GE



Military Business

- Kuwait signed MoU for 28 Eurofighter in Sept 2015
- 16 A400M with TP400 engines have been delivered up to date



OEM Segment

Order book	31/12/2014	30/09/2015	Change
Order book (m€)	6,763.6	6,744.1	0%
Commercial Business (mUS\$)	7,450.0	6,964.6	-7%
Military Business (m€)	627.4	527.4	-16%

(m€)	9M 2014	9M 2015	Change
Revenues	1,915.6	2,138.7	12%
Commercial Business	1,563.9	1,792.8	15%
Military Business	351.7	345.9	-2%
EBIT adj.	189.4	220.4	16%
<i>EBIT adj. Margin %</i>	<i>9.9%</i>	<i>10.3%</i>	

- Paris Air Show orders of 800m€ not included yet
- Organic Commercial OEM revenues were stable, with a delay in new engine shipment to Q4 2015
- EBIT margin at 10.3%



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Commercial MRO Business

- Sales campaigns wins at a value of 1.5 bn US\$ in 9M 2015
- MTU Maintenance extended its V2500 MRO contract with Atlasglobal
- MTU Maintenance Hannover started maintenance work for first engines from Iran
- New service for engine asset and material management launched
- High workload in all MRO locations



Commercial MRO Business

(mUS\$)	31/12/2014	30/09/2015	Change
Order book	5,357.8	4,910.0	-8%

(m€)	9M 2014	9M 2015	
Revenues	920.8	1,148.4	25%
EBIT adj.	79.9	112.4	41%
<i>EBIT adj. Margin %</i>	<i>8.7%</i>	<i>9.8%</i>	

- Contract volume down by 8%
- Organic revenues up by 3%
- Favourable US\$ fx rate support EBIT margin



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Guidance 2015 confirmed

in m€	FY 2014	Guidance 2015
Revenues	3,914	~ 4,600
EBIT adj.	383 9.8%	~ 430
Net income adj.	253	~ 295

- Guidance 2015 based on 1,10 US\$/€
- Commercial US\$ OE sales up high single digit
- Commercial US\$ spare parts sales up low to mid single digit
- Military revenues down 10%
- Commercial MRO US\$ sales up low to mid single digit
- R&D (P&L) down by 10 m€
- Tax rate in 2015: 30%
- FCF at high double digit million number

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Net Income adj.

(m€)	Q3 2014	Q3 2015	Change	9M 2014	9M 2015	Change
Revenues	995.8	1,055.0	6%	2,811.6	3,257.0	16%
EBIT adj.	100.2	120.3	20%	270.9	333.1	23%
<i>Thereof P&L of companies accounted "at equity"</i>	5.6	7.7	38%	13.2	20.8	58%
Interest Result	-1.2	0.2	117%	-5.9	-0.8	86%
Interests for pension provisions	-5.3	-3.5	34%	-16.0	-10.6	34%
Financial Result	-6.5	-3.3	49%	-21.9	-11.4	48%
EBT adj. *	93.7	117.0	25%	249.0	321.7	29%
Taxes**	-26.4	-32.8		-70.7	-90.3	
Tax rate normalized	30.0%	30.0%		30.0%	30.0%	
Net Income adj. **	67.3	84.2	25%	178.3	231.4	30%
EPS adj. **	1.32	1.65	25%	3.50	4.53	29%

*) w/o market-to-market valuations of US\$, Nickel, options and others

***) at equity results excluded from taxation / underlying tax rate in 2014: 30% (from Q2 14 onwards 30%)

Profit & Loss

(m€)	Q3 2014	Q3 2015	Change	9M 2014	9M 2015	Change
Revenues	995.8	1,055.0	6%	2,811.6	3,257.0	16%
Total Cost of Sales	-858.9	-898.3		-2,424.6	-2,829.0	
Gross Profit	136.9	156.7	14%	387.0	428.0	11%
<i>Gross Profit Margin</i>	13.7%	14.9%		13.8%	13.1%	
R&D company funded	-19.6	-21.9		-58.0	-46.2	
SG&A	-35.7	-38.2		-111.7	-117.5	
Other operating income (expense)	0.8	2.0		4.6	6.3	
P&L of companies accounted "at equity and at cost"	6.1	8.1		13.8	21.3	
EBIT reported	88.5	106.7	21%	235.7	291.9	24%
<i>Adjustment (PPA Depreciation & Amortization)</i>	6.2	6.0		18.7	18.1	
<i>Adjustment (IAE Upshare)</i>	5.5	7.6		16.5	23.1	
EBIT adj.	100.2	120.3	20%	270.9	333.1	23%
<i>EBIT adj.margin</i>	10.1%	11.4%		9.6%	10.2%	
Financial Result	-17.2	-7.1		-32.9	-52.0	
Profit before tax (EBT)	71.3	99.6	40%	202.8	239.9	18%
Taxes	-17.0	-51.8		-64.6	-88.1	
Net Income reported	54.3	47.8	-12%	138.2	151.8	10%
Net Income adj.	67.3	84.2		178.3	231.4	
EPS reported	1.07	0.93		2.71	2.97	
EPS adj.	1.32	1.65		3.50	4.53	

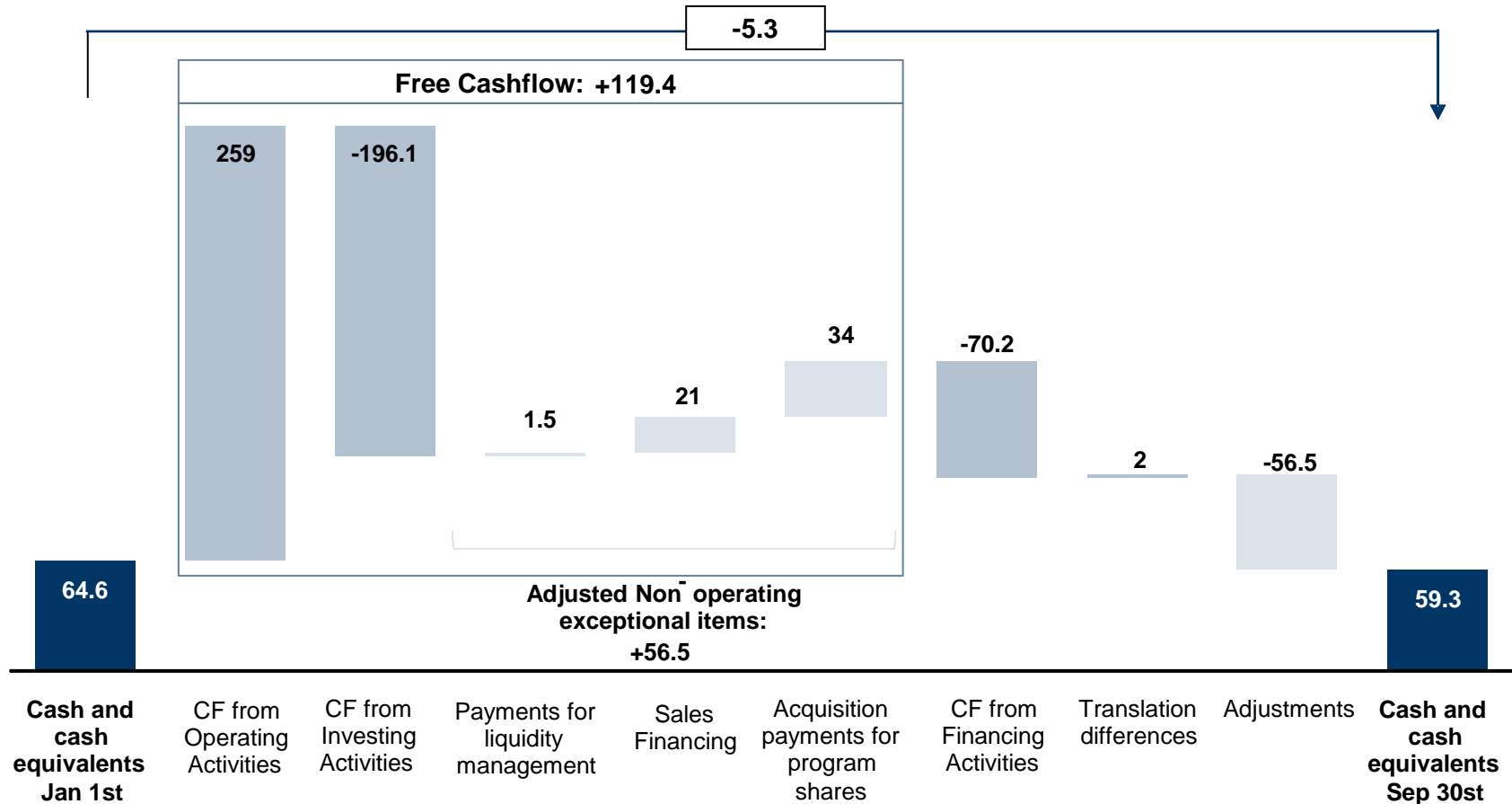
Segment Revenues and EBIT adj.

(m€)	Q3 2014	Q3 2015	Change	9M 2014	9M 2015	Change
Revenues Group	995.8	1,055.0	6%	2,811.6	3,257.0	16%
OEM Commercial	531.0	541.0	2%	1,563.9	1,792.8	15%
OEM Military	126.2	130.6	3%	351.7	345.9	-2%
MRO	347.9	394.2	13%	920.8	1,148.4	25%
Consolidation	-9.3	-10.8		-24.8	-30.1	
EBIT adj. Group	100.2	120.3	20%	270.9	333.1	23%
OEM (Commercial / Military)	66.9	81.2	21%	189.4	220.4	16%
MRO	31.9	38.9	22%	79.9	112.4	41%
Consolidation	1.4	0.2		1.6	0.3	
EBIT margin adj. Group	10.1%	11.4%		9.6%	10.2%	
<i>OEM (Commercial / Military)</i>	<i>10.2%</i>	<i>12.1%</i>		<i>9.9%</i>	<i>10.3%</i>	
<i>MRO</i>	<i>9.2%</i>	<i>9.9%</i>		<i>8.7%</i>	<i>9.8%</i>	

Research & Development

(m€)	Q3 2014	Q3 2015	Change	9M 2014	9M 2015	Change
Company expensed R&D	38.2	45.8	20%	98.2	124.9	27%
OEM	37.0	44.2		94.9	120.9	
MRO	1.2	1.6		3.3	4.0	
Capitalization of R&D	-18.6	-23.9		-40.2	-78.7	
OEM	-18.6	-23.9		-40.2	-78.7	
MRO	0.0	0.0		0.0	0.0	
R&D according to IFRS	19.6	21.9	12%	58.0	46.2	-20%
Customer funded R&D	7.4	8.0		26.6	30.9	
Total R&D	45.6	53.8	18%	124.8	155.8	25%

MTU's Cash development January – September 2015



Cash Flow

(m€)	9M 2014	9M 2015	Change
Net Income IFRS	138.2	151.8	10%
Depreciation and amortization	110.8	118.0	
Change in provisions *	22.9	68.7	
Change in Working Capital	-98.6	-120.8	
Taxes	-16.3	13.4	
Interest, derivatives, others	26.4	27.9	
Cash Flow from operating activities	183.4	259.0	41%
Cash Flow from investing activities	-130.9	-196.1	-50%
<i>Adjustments</i>	31.8	56.5	
Free Cash Flow	84.3	119.4	42%
<i>Adjustments</i>	-31.8	-56.5	
Cash Flow from financing activities	-69.2	-70.2	-1%
Effect of exchange rate on cash and cash equivalents	5.4	2.0	
Change in cash and cash equivalents	-11.3	-5.3	
Cash and cash equivalents at 30.09.	148.3	59.3	

* includes pension provisions and other provisions

Net financial debt at 816 m€

(m€)	31/12/2014	9M 2015	Change
Corporate bonds	352.7	350.2	
Financial liabilities arising from IAE V2500	414.6	423.2	
Financial liabilities to bank	39.7	90.1	
<i>RCF</i>	9.6	60.1	
<i>Note Purchase Agreement</i>	30.1	30.0	
Liabilities to related companies	0.1	1.1	
Finance lease liabilities	14.2	13.2	
Derivatives without hedging relationship	12.2	33.0	
Derivatives with hedging relationship	71.4	92.6	
Gross financial debt	904.9	1,003.4	11%
Cash and cash equivalents	64.6	59.3	
Derivatives	2.6	3.1	
Other financial assets	100.4	124.7	
Financial assets	167.6	187.1	12%
Net financial debt	737.3	816.3	11%
Net financial debt without Derivatives	656.3	693.8	6%

Working Capital

(m€)	31/12/2014	30/09/2015	Change	Change in %
Gross inventories	741.0	823.4	82.4	
Prepayments	-485.7	-381.7	104.0	
Receivables	1,004.2	977.7	-26.5	
Payables	-790.4	-829.5	-39.1	
Working Capital	469.1	589.9	120.8	26%

PPA Depreciation / Amortization (in m€)

(in m€)	Q3 2014	Q3 2015	9M 2014	9M 2015
Total depreciation / amortization				
OEM	30.2	31.9	91.7	96.9
MRO	7.8	7.8	22.6	23.9
MTU total	38.0	39.7	114.3	120.8
PPA depreciation / amortization				
PPA OEM	5.6	5.4	16.8	16.3
PPA MRO	0.6	0.6	1.9	1.8
IAE Upshare OEM	5.5	7.6	16.5	23.1
MTU total	11.7	13.6	35.2	41.2
Depreciation / amortization w/o PPA and w/o IAE Upshare				
OEM	19.1	18.9	58.4	57.5
MRO	7.2	7.2	20.7	22.1
MTU total	26.3	26.1	79.1	79.6

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 cyclicity of the airline industry and the current financial difficulties of commercial airlines, (xiv) our substantial leverage and (xv) 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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