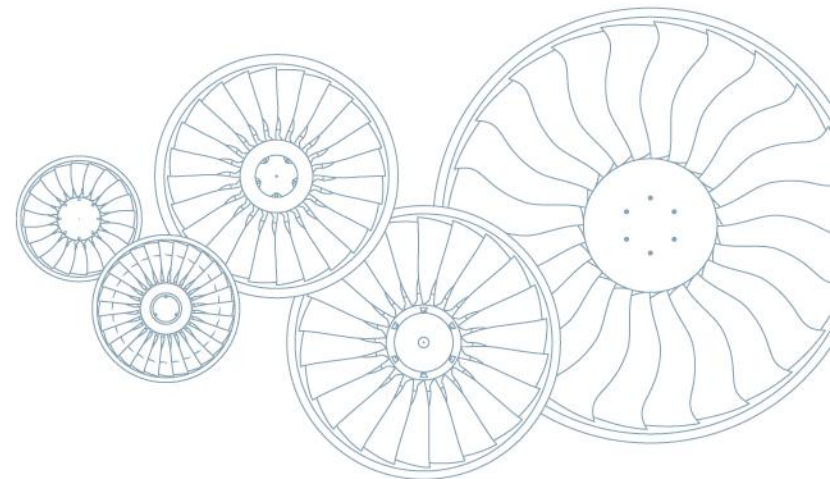




Q3 2014 Results - MTU Aero Engines

Conference Call with Investors and Analysts
23 October 2014

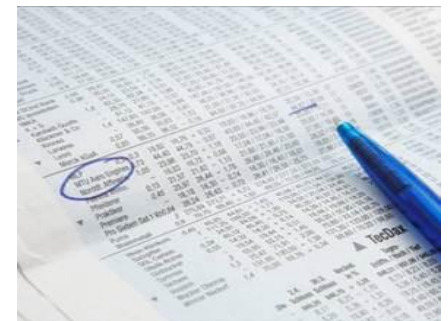


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Business Highlights

- IATA passenger traffic up 5.8% ytd. in August 2014
- First flight of A320neo with PW1100G-JM engines
- Q3 14 MRO revenues on record level
- Strong FCF generation
- 2014 Guidance updated



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Update on Guidance 2014

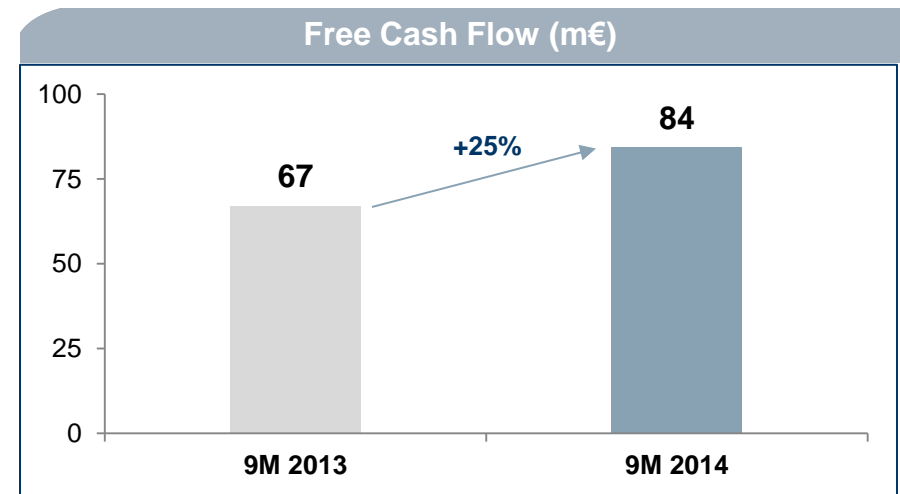
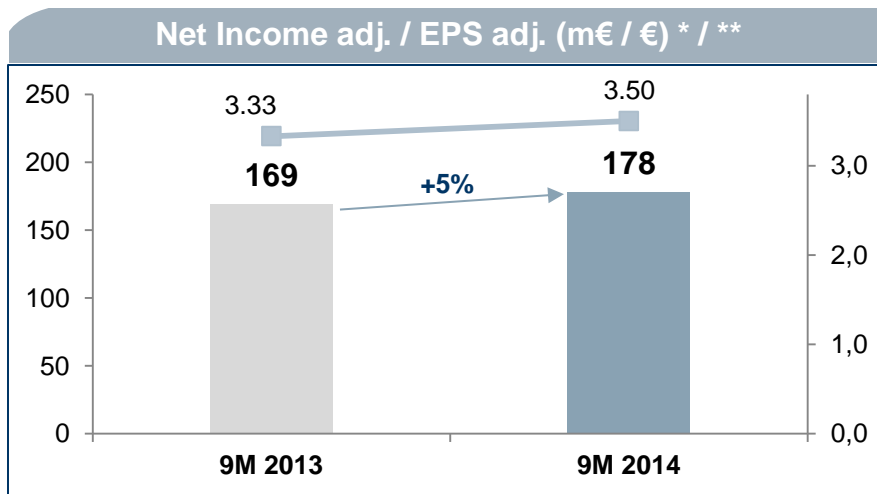
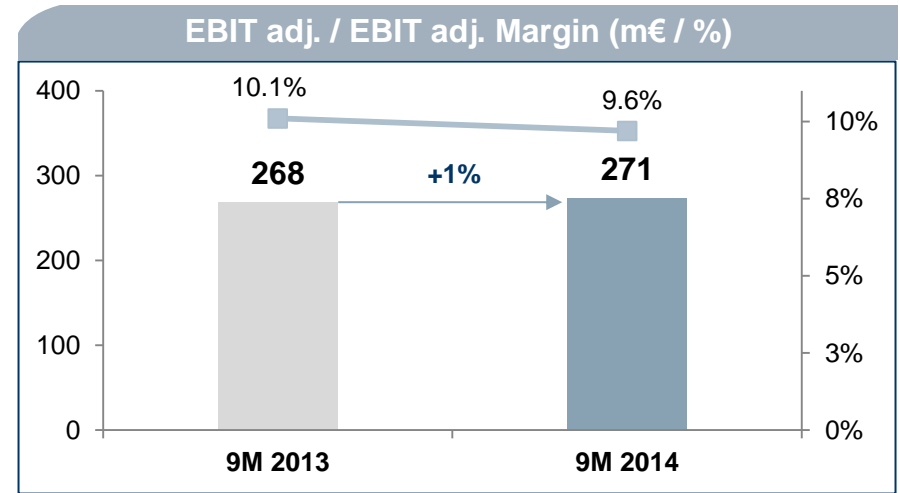
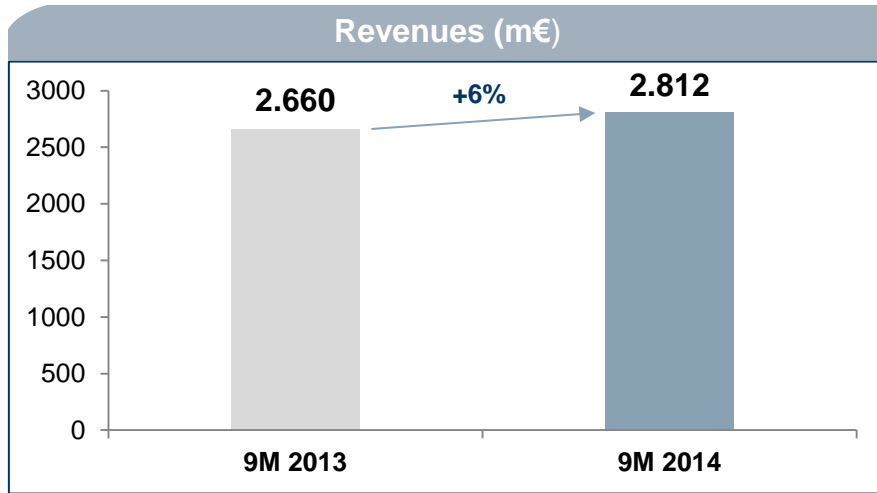
in m€	FY 2013 adjusted for MTU Zhuhai	Guidance 2014 July	Guidance 2014 Update October
Revenues	3,574.1	~ 3,650	~ 3,750
EBIT adj.	373.1 10.4%	~ 375	~ 380
Net income adj.	235.7	~ 245	~ 250

- Series revenues expected to increase in the low teens
- Spare parts revenues expected to grow high single digit
- Military revenues to remain flat on the level of 2013
- Commercial MRO revenues expected to be up low single digit

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Financial Highlights



* w/o market-to-market valuations of US\$, nickel and options and others ** New underlying tax rate of 30% for 2014

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Commercial OEM Business

- Successful first flight of A320neo with PW1100G-JM engines on Sept. 25
- Bombardier Cseries resumed flight testing in Sept.
- PurePower engines have completed 11,000 hours of testing
- Over 6,000 GTF engines on order or optioned
- PW800 will power new Gulfstream business jets
- V2500-E5 (powering the KC-390) achieved FAA engine certification



Military Business

- Maiden flight of first German A400M took place Oct. 14

OEM Segment

Order book	31/12/2013	31/09/2014	Change
Order book in m€	5,403.6	6,592.8	22%
Commercial business in m US\$	6,185.8	7,389.1	19%
Military business in m€	918.2	720.5	-22%

(in m€)	9M 2013	9M 2014	Change
Revenues	1,770.9	1,915.6	8%
Commercial business	1,402.9	1,563.9	11%
Military business	368.0	351.7	-4%

- Order book Commercial business increased by 22 % to US\$ 6.6 bn
- Underlying US\$ Commercial business sales increased by 15 %
- Military revenues down by 4%



OEM Segment

(in m€)	9M 2013	9M 2014	Change
Revenues	1,770.9	1,915.6	8%
Gross profit	269.7	272.9	1%
<i>Gross profit margin</i>	15.2%	14.2%	
R&D according to IFRS	66.3	54.7	-17%
EBIT adj.	185.8	189.4	2%
<i>EBIT adj. margin</i>	10.5%	9.9%	

- Gross Profit margin impacted by business mix effects
- R&D down by € 12 m
- EBIT margin at ~10%



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Commercial MRO Business

(in mUS\$)	31/12/2013	30/09/2014	Change
Contract volume	5,476.4	5,228.2	-5%

(in m€)	9M 2013	9M 2014	Change
Revenues	911.8	920.8	1%
Gross profit	113.8	110.2	-3%
<i>Gross profit margin</i>	<i>12.5%</i>	<i>12.0%</i>	
EBIT adj.	80.5	79.9	-1%
<i>EBIT adj. margin</i>	<i>8.8%</i>	<i>8.7%</i>	

- Contract volume at US\$ 5.2 bn
- US\$ revenues increased by 4%
- EBIT margin almost stable



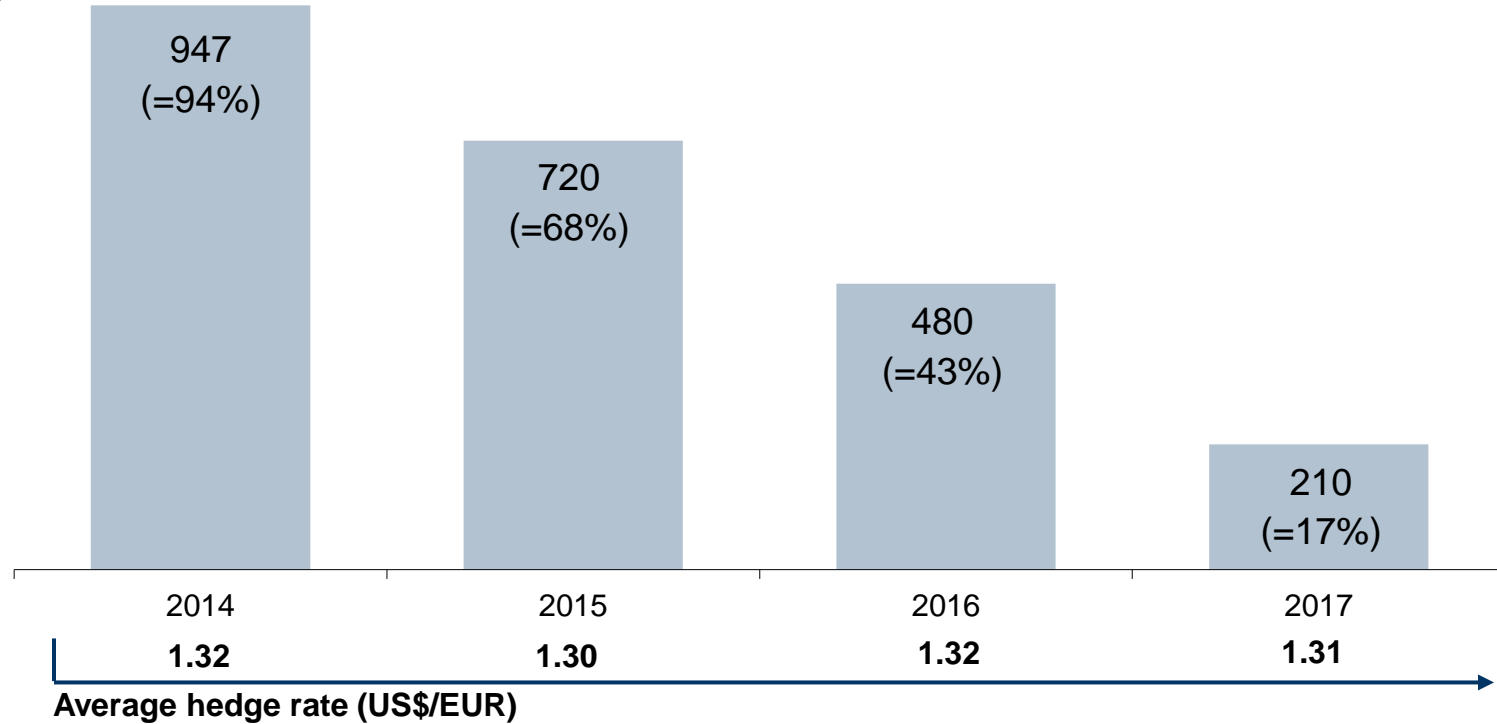
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US\$ Exchange Rate / Hedge Portfolio

Hedge book as of October 23, 2014 (*% of net exposure*)

(mUS\$)



Profit & Loss Highlights – New Underlying tax rate of 30%

	Q3 2013	Q3 2014	Change		9M 2013	9M 2014	Change
Revenues	884.7	995.8	13%		2,659.6	2,811.6	6%
EBIT adj.	98.1	100.2	2%		267.8	270.9	1%
<i>Thereof „at equity“ results</i>	4.4	5.6			12.6	13.2	
Interest result	-2.7	-1.2			-8.0	-5.9	
Interest for pension provisions	-5.0	-5.3			-15.0	-16.0	
Financial result	-7.7	-6.5	16%		-23.0	-21.9	5%
EBT adj. *	90.4	93.7	4%		244.8	249.0	2%
Taxes **	-28.0	-26.4			-75.7	-70.7	
Net Income adj.**	62.4	67.3	8%		169.1	178.3	5%
EPS adj. **	1.23	1.32	7%		3.33	3.50	5%

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

***) at equity results excluded from taxation / underlying tax rate in 2014: 30% - in 2013: 32.6%

Profit & Loss

(in m€)	Q3 2013	Q3 2014	Change	9M 2013	9M 2014	Change
Revenues	884.7	995.8	13%	2,659.6	2,811.6	6%
Total Cost of Sales	-750.2	-858.9		-2,271.9	-2,424.6	
Gross Profit	134.5	136.9	2%	387.7	387.0	0%
<i>Gross Profit Margin</i>	15.2%	13.7%		14.6%	13.8%	
R&D company funded	-22.6	-19.6		-69.1	-58.0	
SG&A	-35.6	-35.7		-112.6	-111.7	
Other operating income (expense)	2.6	0.8		5.6	4.6	
Operating income from investments	4.9	6.1		13.1	13.8	
EBIT reported	83.8	88.5	6%	224.7	235.7	5%
<i>Adjustment (PPA Depreciation & Amortization)</i>	8.9	6.2		26.8	18.7	
<i>Adjustment (IAE Upshare)</i>	5.4	5.5		16.3	16.5	
EBIT adj.	98.1	100.2	2%	267.8	270.9	1%
<i>Financial Result</i>	-5.3	-21.2		-32.1	-44.2	
Profit before tax (EBT)	78.5	67.3	-14%	192.6	191.5	-1%
Taxes	-26.3	-21.2		-67.4	-58.6	
Net Income reported	52.2	46.1	-12%	125.2	132.9	6%
Net Income adj.	62.4	67.3	8%	169.1	178.3	5%
EPS reported	1.03	0.90		2.46	2.61	
EPS adj.	1.23	1.32		3.33	3.50	

Segment Revenues and EBIT adj.

(in m€)	Q3 2013	Q3 2014	Change	9M 2013	9M 2014	Change
Revenues Group	884.7	995.8	13%	2,659.6	2,811.6	6%
OEM Commercial	449.3	531.0	18%	1,402.9	1,563.9	11%
OEM Military	144.8	126.2	-13%	368.0	351.7	-4%
MRO	298.4	347.9	17%	911.8	920.8	1%
Consolidation	-7.8	-9.3		-23.1	-24,8	
EBIT adj. Group	98.1	100.2	2%	267.8	270.9	1%
OEM (Commercial / Military)	70.5	66.9	-5%	185.8	189.4	2%
MRO	26.2	31.9	22%	80.5	79.9	-1%
Consolidation	1.4	1.4		1.5	1.6	
EBIT margin adj. Group	11.1%	10.1%		10.1%	9.6%	
OEM (Commercial / Military)	11.9%	10.2%		10.5%	9.9%	
MRO	8.8%	9.2%		8.8%	8.7%	

Research & Development

(in m€)	Q3 2013	Q3 2014	Change	9M 2013	9M 2014	Change
Company expensed R&D	38.3	38.2	0%	107.1	98.2	-8%
OEM	37.0	37.0		103.6	94.9	
MRO	1.3	1.2		3.5	3.3	
Capitalization of R&D	-15.7	-18.6		-38.0	-40.2	
OEM	-15.4	-18.6		-37.3	-40.2	
MRO	-0.3	0.0		-0.7	0.0	
R&D according to IFRS	22.6	19.6	-13%	69.1	58.0	-16%
Customer funded R&D	14.1	7.4		41.0	26.6	
Total R&D	52.4	45.6	-13%	148.1	124.8	-16%

Cash Flow

(in m€)	9M 2013	9M 2014	Change
Net Income IFRS	125.2	132.9	6%
Depreciation and amortization	120.1	110.8	
Change in provisions *	-73.1	6.1	
Change in Working Capital	-39.1	-81.8	
Taxes	14.7	-22.3	
Interest, derivatives, others	-8.6	37.7	
Cash Flow from operating activities	139.2	183.4	32%
Cash Flow from investing activities adjusted	-72.1	-99.1	-37%
Free Cash Flow	67.1	84.3	26%
<i>Adjustments</i>	-29.4	-31.8	
Cash Flow from financing activities	17.4	-69.2	<-300%
Effect of exchange rate on cash and cash equivalents	-3.9	5.4	
Change in cash and cash equivalents	51.2	-11.3	

* includes pension provisions and other provisions

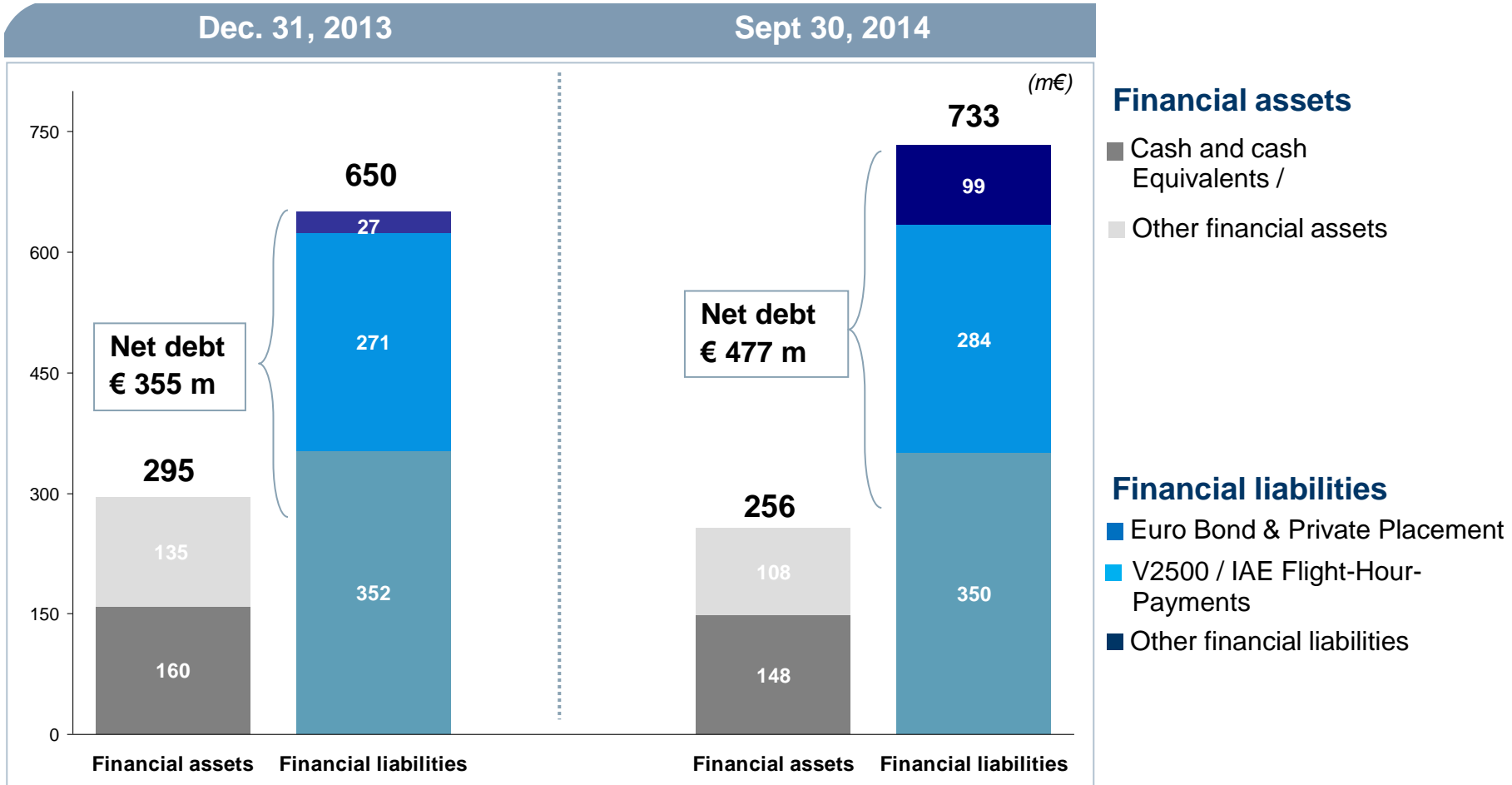
Working Capital

(in m€)	31/12/2013	30/09/2014	Change	Change in %
Gross Inventories	745.2	744.9	-0.3	
Prepayments	-547.8	-493.9	53.9	
Receivables	784.9	853.0	68.1	
Payables	-826.5	-866.4	-39.9	
Working Capital	155.8	237.6	81.8	53%

PPA Depreciation / Amortization (in m€)

(in m€)	Q3 2013	Q3 2014	9M 2013	9M 2014
Total depreciation / amortization				
MTU total	41.1	38.0	120.1	114.3
OEM	33.3	30.2	96.6	91.7
MRO	7.8	7.8	23.5	22.6
PPA depreciation /amortization				
MTU total	8.9	6.2	26.8	18.7
OEM	8.0	5.6	24.2	16.8
MRO	0.9	0.6	2.6	1.9
Depreciation / amortization w/o PPA				
MTU total	32.2	31.8	93.3	95.6
OEM	25.3	24.6	72.4	74.9
MRO	6.9	7.2	20.9	20.7

Net debt of € 476.6 m



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