Press Release

MTU Aero Engines exceeds forecasts for financial year 2008

- **Most successful year in the company's 75-year history**
- **Outlook for 2009: Sustained progress despite difficult market environment**

Munich, March 23, 2009 – MTU Aero Engines Holding AG has fully met and even exceeded its forecasts for the financial year 2008. This was announced at the company's annual results press conference on Monday, March 23, 2009. MTU reported a 6% increase in revenues to €2,724.3 million (2007: €2,575.9 million), thereby exceeding the upwardly revised forecast of €2,650 million that had been published in the course of the year. Without the U.S. dollar exchange rate effect, this increase would have amounted to an even higher 12%. Operating profit (EBITDA adjusted) improved by 3% from €392.9 million to €405.7 million, which is higher than MTU's forecast of approximately €400 million. Net income progressed at an even more pronounced rate, increasing by 17% from €154.1 million in 2007 to €179.7 million, thereby reaching the forecast level of €180 million. Free cash flow, at €123.6 million (2007: €131.7 million), was significantly higher than the forecast €100 million.

"In this anniversary year, I am particularly delighted to be able to present these results, which are the best that MTU has ever achieved in its 75-year history," stated Egon Behle, CEO of MTU Aero Engines Holding AG. "2008 was a record year for MTU in many respects. As well as more than meeting our quantitative targets, we have also taken strategic measures that point MTU towards an even better future: In 2008, we engaged in a greater volume of new program agreements than in any previous year. This forward-looking strategy and the opportunities it offers give me every confidence that MTU will continue to impose itself on the market, despite the increasingly difficult challenges that this involves."

Outlook for 2009

The volume of both passenger and freight traffic is expected to decline in 2009, with a consequential impact on deliveries of new aircraft and on after-market sales in the engine business. Despite this difficult market environment, MTU is nevertheless well positioned to generate revenues of around €2,800 million in 2009, which corresponds to the previous year's level. This forecast is based on the assumption that revenues in the military engine business will remain stable. MTU expects to see a significant decrease in sales of engine components and spare parts for business jets, and does not expect revenues from engines for commercial airliners, in any category, to grow with respect to 2008. Overall, MTU's spare parts business is expected to generate slightly lower revenues. In the commercial maintenance (MRO) sector, MTU expects revenues to remain stable after adjustments for the U.S. dollar exchange rate. Starting in the financial year 2009, the company intends to use EBIT adjusted as an indicator of its profitability instead of EBITDA adjusted. This will enable its results to be more easily compared with those of other capital-market-oriented companies, and also allow depreciation and

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amortization expenses to be included in the measurement of operating costs. MTU has set itself the target of achieving an EBIT margin (adjusted) of around 10%, compared with a margin of 12% in 2008. This anticipated reduction is based principally on general exposure to market risks, the declining spare parts business, high startup costs for new engine programs, and expenditure in connection with the new manufacturing site in Poland. As a result of the planned investments to assure its future, MTU expects its net income to decrease to approximately €140 million in 2009. These investments include increased research and development expenditure in connection with the new engine programs. MTU nevertheless reckons on a free cash flow in the region of €80 million to €100 million.

Significant increase in commercial MRO revenues

A large part of the improvement in MTU's revenues in 2008 was attributable to the growth of the commercial maintenance business, where revenues increased by 11% to €1,113.0 million (2007: €1,004.7 million) despite the disadvantage of the weak U.S. dollar. Without the effect of the U.S. dollar exchange rate, revenues would have increased by 19%. The main contributors to these revenues were the V2500 engine that powers the Airbus A320 family and the CF6 engine employed in widebody aircraft such as the Airbus A330 and the Boeing 747.

MTU's revenues in the commercial engine business improved by 4%, increasing from €1,102.0 million in 2007 to €1,146.3 million in 2008. Discounting the effect of the U.S. dollar exchange rate, this represents an increase of 12% over the previous year's revenues. A significant proportion of these revenues, which derived both from new engine and spare parts sales, was generated by the V2500 (Airbus A320 family), PW2000 (Boeing 757 and C-17) and CF6-80C (Boeing 747, Airbus A300, A310 and A330) programs.

Revenues in the military engine business remained stable. The main sources of these revenues, which amounted to €496.6 million (2007: €497.5 million), were the EJ200 Eurofighter engine and the RB199 used to power the Tornado.

High order backlog assures stable business development

At December 31, 2008, the order backlog amounted to €4,015.7 million, which is 21% higher than the comparable figure of €3,311.1 million at December 31, 2007. This corresponds to 1.5 times annual revenues.

In 2008, the contractual value of engine service agreements in the commercial MRO business amounted to U.S. $ 7,278.3 million, which is close to the previous year's level of U.S. $ 7,426.6 million).

Stable operating results

Profitability remained high at MTU in 2008. The return on sales was 14.9% (2007: 15.3%), and thus lay at the upper end of the target corridor of 14 to 15%. The positive development of the OEM business was the main contributing factor to the group's good operating results. In this segment, the effectiveness of programs to improve efficiency and the increased volume of orders in the commercial engine business compensated for the changes in the U.S. dollar exchange rate. Operating profit (EBITDA adjusted) in the OEM business increased by 8%, and the EBITDA margin rose to 20.1%. In the commercial MRO business, the operating profit amounted to €78.9 million and the EBITDA margin came to 7.1%. "As planned, we have continually improved this margin in the commercial maintenance business and fully met our target for the year of around 7%," said Chief Financial Officer Reiner Winkler. "This proves that the measures we have taken to adapt our production facilities and processes are having the desired effect. Commercial MRO is back on course again."

Proposed dividend: €0.93 per share

MTU's good operating profit is reflected in the group's net income, which improved by 17% to €179.7 million. Winkler: "Once again this year, we would like our shareholders to share in this profit. We will therefore be proposing a dividend payment of €0.93 per share, as in 2007, at the Annual General Meeting."

11% of OEM revenues reinvested in research and development

In 2008, research and development expenses amounted to €181.6 million (2007: €176.4 million). This corresponds to 11% of revenues from the OEM business, which is where the majority of this research and development expenditure is incurred. Company-funded R&D, which accounted for €101.1 million of the total amount, increased by 14%. "By expanding our program-related R&D activities in this way, we are pursuing our aim of widening our technological lead and thereby assuring MTU's future," said CEO Egon Behle. In addition to technologies for the next generation of engines, the main focus of research and development work in 2008 lay on the development programs for the PW1000G for the Mitsubishi Regional Jet and Bombardier CSeries, the PW810 for the Cessna Citation Columbus, the GEnx for the Boeing 787 Dreamliner and Boeing 747-8, and the GE38 for the Sikorsky CH-53K heavy-lift helicopter.

Investing in the future

MTU's capital expenditure almost tripled compared with 2007, increasing from €106.1 million to €293.7 million. Major components were the construction and equipment of the new plant in Poland, the construction of a second engine test rig at MTU Maintenance Hannover, and the acquisition of additional stakes in engine programs.

7,537 employees

At the end of 2008, MTU had 7,537 employees, 6% more than at the end of 2007 (7,130 employees). The increase is due mainly to the recruitment of staff for MTU Aero Engines Polska, the expansion of MTU's global maintenance network, and the employment of additional staff in targeted areas of the OEM business, especially in research and development.

Further share buyback exercise possible

At the end of the financial year 2008, MTU had a holding of approximately 3.2 million treasury shares, which corresponds to about 6.2% of all MTU shares. The Board of Management intends to ask the Annual General Meeting to accord its renewed authorization to buy back shares representing a maximum total of 10% of the company's stock capital of €52.0 million.

MTU Aero Engines – Key financial data for 2008

(Figures quoted in € million, calculated on a comparable basis, statements prepared in accordance with IFRS. Figures calculated on a comparative basis apply adjustments to the IFRS consolidated results to exclude restructuring and transaction costs, capitalized development costs, and the effects of IFRS purchase accounting.)

MTU Aero Engines	**2008**	**2007**	**Change**
Revenues	2,724.3	2,575.9	+ 5.8 %
of which OEM business	1,642.9	1,599.5	+ 2.7 %
of which commercial engine business	1,146.3	1,102.0	+ 4.0 %
of which military engine business	496.6	497.5	- 0.2 %
of which commercial MRO business	1,113.0	1,004.7	+ 10.8 %
EBITDA (calculated on a comparable basis)	405.7	392.9	+ 3.3 %
of which OEM business	330.3	305.7	+ 8.0 %
of which commercial MRO business	78.9	87.9	- 10.2 %
EBITDA margin (calculated on a comparable basis)	*14.9 %*	*15.3 %*	
in the OEM business	*20.1 %*	*19.1 %*	
in the commercial MRO business	*7.1 %*	*8.7 %*	
Net income (IFRS)	179.7	154.1	+ 16.6 %
Earnings per share (undiluted)	€3.64	€2.95	+ 23.4 %
Free cash flow	123.6	131.7	- 6.2 %
Research and development expenses	181.6	176.4	+ 2.9 %
of which company-funded R&D	101.1	88.8	+ 13.9 %
of which outside-funded R&D	80.5	87.6	- 8.1 %
Capital expenditure	293.7	106.1	+ 176.8 %

	Dec. 31, 08	Dec. 31, 07	Change
Order backlog	4,015.7	3,311.1	+ 21.3 %
of which OEM business	3,884.5	3,216.8	+ 20.8 %
of which commercial MRO business	131.4	94.7	+ 38.8 %
Employees	7,537	7,130	+ 5.7 %

Outlook 2009

in € million	2008	Outlook 2009
Revenues	2,724.3	~ 2,800
EBIT margin adjusted	12.1 %	~ 10 %
Free cash flow	123.6	80 - 100
Net income	179.7	~ 140

MTU Aero Engines is the leading German manufacturer of aircraft engines and a major player in the industry. The company celebrates its 75th anniversary this year (2009). Together with its affiliates, MTU maintains a presence in all essential markets and regions. In the commercial engine sector, the company has close working ties with the world's major aero engine manufacturers – General Electric, Pratt & Whitney and Rolls-Royce. In the military sector, MTU is the lead industrial partner for almost every type of engine operated by the German armed forces, and an important partner in all major military aero engine programs in Europe. MTU Maintenance is the world's largest independent provider of MRO services for commercial aero engines. MTU is a technological leader in high-pressure compressors, low-pressure turbines, manufacturing processes, and repair techniques.

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