
MTU Aero Engines reaffirms forecast

- **First-quarter revenues of € 640.2 million in line with expectations**
- **EBIT margin of 10.7 % at predicted level for 2010**
- **Net income up 5 % to € 32.6 million**

Munich, April 20, 2010 – MTU Aero Engines Holding AG generated revenues of € 640.2 million in the first quarter of 2010 (1-3/09: € 693.1 million). The Group's operating profit¹ amounted to € 68.8 million at the end of March 2010, compared with a first-quarter result of € 75.2 million in 2009. The EBIT margin has remained stable at 10.7 % (1-3/09: 10.8 %). MTU's net income for the three-month period improved by 5 % from € 31.0 million in 2009 to € 32.6 million in 2010.

“The results for the first quarter are in line with the forecast we issued in February and which we are now able to confirm,” commented Egon Behle, CEO of MTU Aero Engines Holding AG. “As foreseen, the figures are mostly at a similar level to those reported for the fourth quarter of 2009, and are on a par with the development we expect to see in the first half of the year. We think it likely that business could benefit from positive stimuli in the second half of the year.”

The MRO segment's revenues amounted to € 245.0 million (1-3/09: € 302.4 million), and remained stable relative to the fourth quarter 2009. The depressed market environment in 2009 stabilized, as expected, at around fourth-quarter levels in the first three months of the present year. The highest contribution to revenues came from the V2500 engine for the Airbus A320 family.

The commercial engine business produced revenues of € 265.3 million (1-3/09: € 284.6 million). Excluding the effect of the U.S. dollar exchange rate, revenues in this segment remained stable. The programs generating the highest revenues were the V2500 for the Airbus A320 family, the PW2000 for the Boeing 757 and C-17, and the CF6-80C for the Boeing 747 and Airbus types A310 and A330.

MTU's military engine business saw booked revenues improve by 19 % to € 136.1 million (1-3/09: € 114.2 million). The main sources of revenues are the EJ200 Eurofighter engine and the RB199 that powers the Tornado.

MTU's order backlog has increased by 6 % since the end of the last financial year, and now stands at € 4,407.4 million (Dec. 31, 2009: € 4,150.9 million). This is equivalent to 1.7 times annual revenues in 2009. “The increase in our order backlog is another positive sign indicating that the aviation market is on the way to recovery,” said Behle. “MTU is well positioned to benefit from the upturn.” New orders were received, in particular, for the V2500 and the PW1000G geared turbofan.

¹ EBIT adjusted = Earnings before interest and tax, calculated on a comparable basis



EBIT decreased moderately from € 75.2 million to € 68.8 million for the Group as a whole, primarily as a result of lower earnings in the MRO segment (down from € 19.3 million in the first quarter 2009 to € 14.2 million in the first quarter 2010), which were in turn due to lower revenues. "The commercial maintenance business, in particular, is still suffering from the impact of the market downturn in 2009, but it is moving in a positive direction," explained Chief Financial Officer Reiner Winkler. "Compared with the fourth quarter of 2009, the MRO segment's EBIT margin has improved by 1.7 percentage points, and we expect to see it rise even further in the course of the year."

EBIT for the OEM segment amounted to € 52.8 million in the first three months of 2010, and thus remained very close to the previous year's result for the same period (1-3/09: € 54.8 million). The OEM segment's EBIT margin came to 13.2 % (1-3/09: 13.7 %).

The company's total research and development expenditure increased by 3 % to 51.8 million in the first quarter of 2010 (1-3/09: € 50.4 million). MTU boosted expenditure on internally funded R&D projects by 8 % to € 32.9 million (1-3/09: € 30.4 million). The main focus of the company's research and development activities lay on the development programs for the PW1000G for the Mitsubishi Regional Jet and the Bombardier CSeries, the GENx for the Boeing 787 Dreamliner and Boeing 747-8, and the GE38 for Sikorsky CH-53K heavy-lift helicopter.

Free cash flow at the end of March 2010 amounted to € 31.7 million (1-3/09: € 35.4 million). Capital expenditure in the first three months of 2010 amounted to € 19.9 million, compared with € 27.4 million one year earlier, when the Polish plant was still under construction.

At March 31, 2010, MTU had 7,681 employees, close to the level at the end of the previous year (Dec. 31, 2009: 7,665 employees).

Outlook

MTU reaffirms its forecast for the financial year 2010. The company expects to generate revenues on roughly the same level as last year (2009: € 2,610.8 million). Operating profit (EBIT adjusted), which amounted to € 292,3 million in 2009, is also expected to develop along stable lines, as is net income, which came to € 141.0 million in 2009. Despite the high research and development expenses to safeguard MTU's future, the company anticipates a free cash flow of at least € 100 million in 2010, compared with € 120.2 million in 2009.



MTU Aero Engines – Key financial data, January through March 2010

(Figures quoted in € million, calculated on a comparable basis, statements prepared in accordance with IFRS. Figures calculated on a comparable 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	Q1 2010	Q1 2009	Change
Revenues	640.2	693.1	- 7.6 %
of which OEM business	401.4	398.8	+ 0.7 %
of which commercial engine business	265.3	284.6	- 6.8 %
of which military engine business	136.1	114.2	+ 19.2 %
of which commercial MRO business	245.0	302.4	- 19.0 %
EBIT (calculated on a comparable basis)	68.8	75.2	- 8.5 %
of which OEM business	52.8	54.8	- 3.6 %
of which commercial MRO business	14.2	19.3	- 26.4 %
<i>EBIT margin (calculated on a comparable basis)</i>	<i>10.7 %</i>	<i>10.8 %</i>	
<i> in the OEM business</i>	<i>13.2 %</i>	<i>13.7 %</i>	
<i> in the commercial MRO business</i>	<i>5.8 %</i>	<i>6.4 %</i>	
Net income (IFRS)	32.6	31.0	+ 5.2 %
Earnings per share (undiluted)	€ 0.67	€ 0.64	+ 4.7 %
Free cash flow	31.7	35.4	- 10.5 %
Research and development expenses	51.8	50.4	+ 2.8 %
of which company-funded R&D	32.9	30.4	+ 8.2 %
of which outside-funded R&D	18.9	20.0	- 5.5 %
Capital expenditure	19.9	27.4	- 27.4 %
	Mar. 31, 10	Dec. 31. 09	Change
Order backlog	4,407.4	4,150.9	+ 6.2 %
of which OEM business	4,237.1	3,965.1	+ 6.9 %
of which commercial MRO business	176.6	185.8	- 5.0 %
Number of employees	7,681	7,665	+ 0.2 %

MTU Aero Engines is the leading German manufacturer of aircraft engines and a major player in the industry. Together with its affiliates and associated companies, 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 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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