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### MTU Aero Engines AG confirms its forecast for the year after the third quarter

- Revenues up by 13% to € 2,778.1 million
- Operating profit reaches € 270.5 million, net income € 166.3 million

Munich, October 23, 2013 – In the first nine months of 2013, MTU Aero Engines AG recorded a 13% rise in revenues to € 2,778.1 million (1-9/2012: € 2,468.0 million). The company generated an operating profit<sup>1</sup> of € 270.5 million (1-9/2012: € 278.0 million) with an operating margin of 9.7% (1-9/2012: 11.3%). Net income<sup>2</sup> amounted to € 166.3 million after € 173.1 million in the equivalent period last year.

“With the results achieved over the last nine months, MTU is on track to reach its 2013 targets,” said Egon Behle, CEO of MTU Aero Engines AG. “The figures reflect the forecast that we gave in July and which we confirm today.” MTU expects revenues of around € 3.7 billion for the whole year, after € 3,378.6 million in 2012. Earnings are set to match last year’s level: MTU anticipates an adjusted EBIT of around € 375 million (2012: € 374.3 million) and net income of approximately € 235 million (2012: € 233.4 million).

The rise in revenues in the first nine months is mainly attributable to strong growth in the commercial engine business, where revenues were up by 23% to € 1,402.9 million (1-9/2012: € 1,141.9 million). The key revenue drivers were the V2500 for the Airbus A320 family, the GP7000 for the A380, and the GEnx deployed in the Boeing 787 Dreamliner and the Boeing 747-8.

MTU’s commercial maintenance business saw its revenues grow by 3% to € 1,030.8 million (1-9/2012: € 1,001.8 million). The main source of these revenues was the V2500 engine, which powers the Airbus A320 family.

Revenues in the military engine business were up 6% to € 368.0 million due to invoice timing factors (1-9/2012: € 348.4 million). The EJ200 Eurofighter engine accounted for the largest share of these revenues.

MTU’s order backlog amounted to € 10,948.5 million at the end of September (December 31, 2012: € 11,479.6 million), corresponding to a production workload of around 3 years. Most of the orders relate to the V2500 deployed in the current A320 family and to the PW1000G Geared Turbofan<sup>TM3</sup> engine family. They are the future engines for the Airbus A320neo, the Bombardier CSeries, the new generation of Embraer E-Jets, the Mitsubishi Regional Jet and the Irkut MS-21.

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<sup>1</sup> EBIT adjusted = earnings before interest and tax, calculated on a comparable basis

<sup>2</sup> Net income adjusted = earnings after income tax, calculated on a comparable basis

<sup>3</sup> Geared Turbofan is a trademark application of Pratt & Whitney



There was a slight decline in MTU's earnings growth in both segments: MTU generated a profit of € 186.8 million in the OEM segment (1-9/2012: € 194.1 million) and an EBIT margin of 10.5% (1-9/2012: 13.0%). "Growth in the commercial engine business is much stronger than in the spare parts business. That influences OEM segment earnings," explained CFO Reiner Winkler. "As at the mid-year mark, growth in earnings in the MRO business has been dampened by the stagnation in the industrial gas turbine sector." Adjusted commercial maintenance earnings declined from € 85.6 million to € 82.4 million. The EBIT margin reached 8.0% (1-9/2012: 8.5%).

Research and development expenditure for the first nine months of 2013 prior to recognition of capitalized development costs amounted to € 148.1 million, compared to € 173.5 million in the same period last year. Company-funded R&D expenditure recognized as expense fell from € 79.4 million to € 69.1 million. R&D activities were centered on Geared Turbofan technology. "As expected, the more progress is made in Geared Turbofan technology, the lower our R&D expenditure. In the last quarter, the PW1500G from the Geared Turbofan family was deployed in the successful initial flight of the Bombardier CSeries. That is proof of the success of the complete system, which sets new standards with its Geared Turbofan engine," added Behle.

At € 65.7 million, MTU's free cash flow is unchanged year on year (1-9/2012: € 66.3 million). "We have free cash flow amounting to a mid-double-digit million euro figure, which means we have achieved the level we are seeking for the whole year," stated Winkler.

In the first nine months, MTU invested € 50.1 million in property, plant and equipment (1-9/2012: € 63.8 million). The company invested primarily in an ultramodern new production facility in Munich for manufacturing components for Geared Turbofan engines.

MTU's workforce increased by 2% to 8,729 employees (December 31, 2012: 8,541). New employees were recruited particularly in Canada, Poland and Hannover.



## MTU Aero Engines – key financial data for January through September 2013

(Figures quoted in million €, calculated on a comparable basis. Statements prepared in accordance with IFRS)

| MTU Aero Engines                                      | at Sept. 2012      | at Sept. 2013       | Change          |
|---|--------------------|---------------------|-----------------|
| Revenues  | 2,468.0            | 2,778.1             | + 12.6 %        |
| of which OEM business                                 | 1,490.3            | 1,770.9             | + 18.8 %        |
| of which commercial engine business                   | 1,141.9            | 1,402.9             | + 22.9 %        |
| of which military engine business                     | 348.4              | 368.0               | + 5.6 %         |
| of which commercial MRO business                      | 1,001.8            | 1,030.8             | + 2.9 %         |
| EBIT (calculated on a comparable basis)               | 278.0              | 270.5               | - 2.7 %         |
| of which OEM business                                 | 194.1              | 186.8               | - 3.8 %         |
| of which commercial MRO business                      | 85.6               | 82.4                | - 3.7 %         |
| <i>EBIT margin (calculated on a comparable basis)</i> | <i>11.3 %</i>      | <i>9.7 %</i>        |                 |
| <i>for OEM business</i>                               | <i>13.0 %</i>      | <i>10.5 %</i>       |                 |
| <i>for commercial MRO business</i>                    | <i>8.5 %</i>       | <i>8.0 %</i>        |                 |
| Net income (calculated on a comparable basis)         | 173.1              | 166.3               | - 3.9 %         |
| Net income (reported)                                 | 160.4              | 124.5               | - 22.4 %        |
| Earnings per share (undiluted, reported)              | € 3.16             | € 2.45              | - 22.5 %        |
| Free cash flow  | 66.3               | 65.7                | - 0.9 %         |
| Research and development expenditure                  | 173.5              | 148.1               | - 14.6 %        |
| of which company-funded                               | 113.3              | 107.1               | - 5.5 %         |
| of which outside-funded                               | 60.2               | 41.0                | - 31.9 %        |
| <i>Company-funded R&amp;D recognized as expense</i>   | <i>79.4</i>        | <i>69.1</i>         | <i>- 13.0 %</i> |
| Capital expenditure on property, plant and equipment  | 63.8               | 50.1                | - 21.5 %        |
|   | <b>Dec. 31, 12</b> | <b>Sept. 30, 13</b> | <b>Change</b>   |
| Order backlog   | 11,479.6           | 10,948.5            | - 4.6 %         |
| of which OEM business                                 | 5,640.4            | 5,376.1             | - 4.7 %         |
| of which commercial MRO business                      | 5,839.2            | 5,572.4             | - 4.6 %         |
| Employees   | 8,541              | 8,729               | + 2.2 %         |

### About MTU Aero Engines

MTU Aero Engines is Germany's leading and only independent engine manufacturer, and an established global player in the industry. Its activities encompass the development, manufacture, marketing and support of commercial and military aircraft engines and industrial gas turbines. The company is a technological leader in low-pressure turbines, high-pressure compressors, manufacturing processes and repair techniques. MTU Maintenance is the world's largest independent provider of maintenance services for commercial aircraft engines. In the military sector, MTU is the lead industrial partner for almost every type of engine flown by the German armed forces. MTU operates a worldwide network of manufacturing plants and maintenance shops, coordinated by its corporate headquarters in Munich. In the financial year 2012, with a workforce of around



8,500 employees, the group generated revenues of approximately € 3.4 billion. Since the beginning of 2013, MTU has won two major German innovation awards for its high-speed, low-pressure turbine for Geared Turbofan™ engines: the Innovationspreis der deutschen Wirtschaft 2012/2013 in early March and the Deutscher Innovationspreis 2013 in April.

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