



MTU Aero Engines - Investor and Analyst Day 2007



Hanover - September 21st, 2007

Agenda

Time	Event	Speaker
10:30 – 11:30	Introduction	Udo Stark
	Highlights Commercial OEM Business	Dr. Anton Binder
	Highlights Military Business	Udo Stark
11:30 – 12:30	Update on Commercial MRO Strategy, Markets and Operational Performance	Bernd Kessler
12:30 – 13:15	Lunch with MTU Management	
13:15 – 13:45	Long-term Cost Initiatives	Reiner Winkler
	- Center of Excellence Concept - MTU Aero Engines Polska	
13:45 – 14:30	Future Engines: MTU Initiatives for Emission Reduction	Dr. Rainer Martens
14:45 – 16:15	Optional: Guided Tour through the MTU Hanover facility	

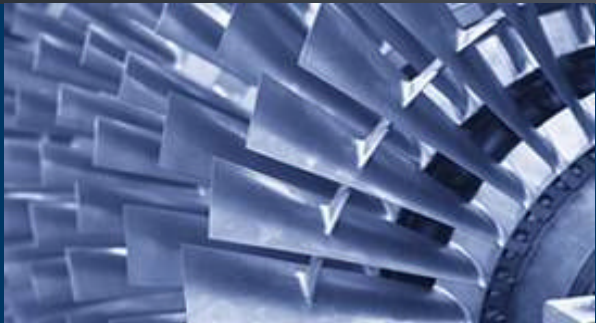
Main Achievements Since Investor & Analyst Day 2006 (1/2)

	MTU promised to...	... and delivered
Mid-term targets	Further improve cost competitiveness	<ul style="list-style-type: none"> • Cost-cutting target of € 50m p.a. from 2008 on will partly be achieved already in 2007 • Low-cost facility in Poland and other long-term cost improvement initiatives established
	Evaluate M&A opportunities	<ul style="list-style-type: none"> • Numerous potential objects evaluated in the past 12 months - no progress • Main obstacles: high M&A multiples, unwillingness to sell
	Strengthen core business by accessing related niche business	<ul style="list-style-type: none"> • MRO: strong expansion of accessories and 3rd party repair businesses • Commercial OEM: successful start of Supply Business

Main Achievements Since Investor & Analyst Day 2006 (2/2)

MTU promised to...		... and delivered
Long-term targets	Maintain leadership in technology	<ul style="list-style-type: none"> • Claire-Concept: Over next three decades 30% improvement in fuel burn and CO2 achievable • Geared Turbofan preferred technology for next generation of engines
	Gain access to fastest growing new programs	<ul style="list-style-type: none"> • Current and upcoming opportunities: <ul style="list-style-type: none"> • A350 XWB (and A380 Stretch?) • NGSA (A320x, B737x) • New 100-seater (Bombardier, Embraer) • New regional jets (MHI, Cessna, Bomb.)
	Achieve mid-term EBITDA-margin of 14-15%	<ul style="list-style-type: none"> • 2007 forecast for EBITDA-margin: 14.8%

Highlights Commercial OEM Business



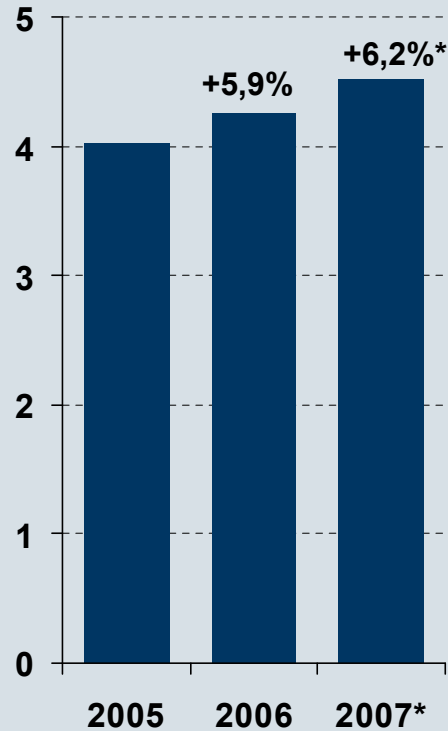
Dr. Anton Binder, Head of Commercial OEM Business

Agenda

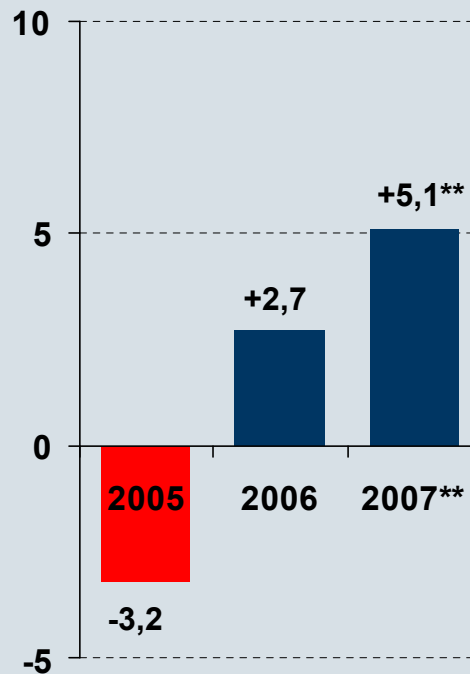
- Market Overview
- Summary H1 2007 Financials
- Highlights
 - Potential participation in A350 XWB
 - Continuation PW2000 / F117
 - Future of IAE
 - MTU Aero Solutions
- Summary

Sustained Traffic Growth and Sharp Recovery in Airline Profitability Underpin Positive Market Fundamentals

Trillion Revenue Passenger Kilometers



World Airline Net Financial Results (\$bn)



- Robust international passenger traffic growth in the first 7 months of 2007 with +6,2%
- Load factors in 2007 continue to remain strong with 76.5% through July 2007 (75% and 76% in 2005 and 2006)
- Traffic growth stable and renewing with its long term trend at 1.5 times GDP growth
- Airlines are heading for a 2nd consecutive year of profits after the turbulent years of 2001-04

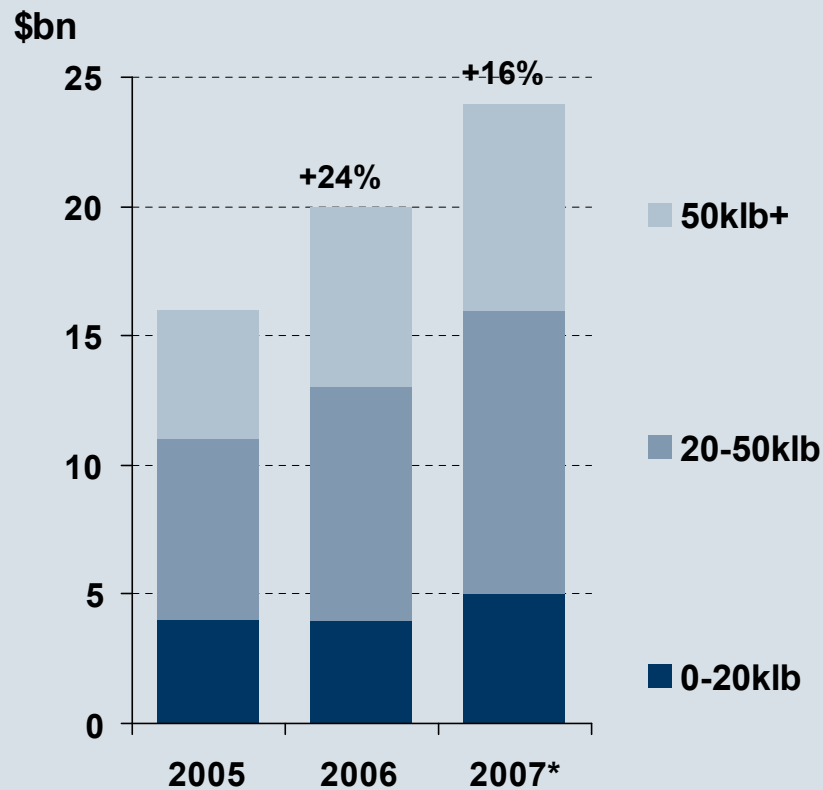
* Projection based on IATA's Jan-Jul 2007 traffic growth

** IATA's latest June 2007 estimate

Source: IATA, ICAO & Boeing

Aero Engine Sales Worldwide Expected to Increase by 16% in 2007 – Driven by Narrowbody Segment

Civil Aero Engine Industry - Series Sales 2005-2007



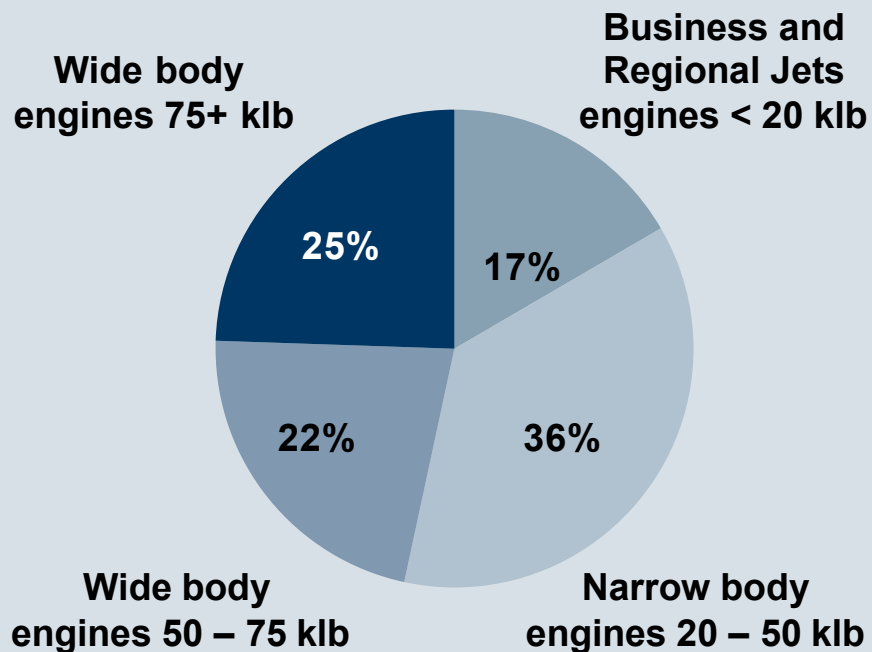
- The industry is expected to deliver \$24bn worth of new engines representing a 16% increase over 2006
- All thrust segments benefit
- Narrowbody engines are anticipated to represent close to 50% of 2007 sales
- Current traffic projections by ICAO or IATA and the present record firm order backlog, point to continued exceptional growth over the next few years

* MTU projection based on expected deliveries and current engine list prices

Source: Airclaims' CASE, MTU

The Civil OEM Engine Series Market is Expected to Generate More Than \$300bn of Sales Over the Next 10 Years

Civil Aero Engine Industry – Series Sales 2007-2016 by Segment



- MTU is well positioned in the commercial market, e.g.
 - Partnership with P&WC, the market leader in Business Jet segment
 - IAE V2500 covering the Narrowbody market, which generates the highest volumes
 - EA GP7000 covering the Widebody market. Engine is powering the biggest civil airliner A380, a new highly advanced 4-engine design

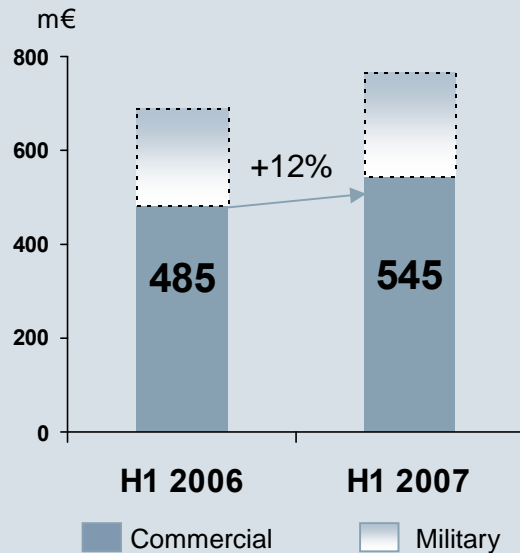
Source: MTU

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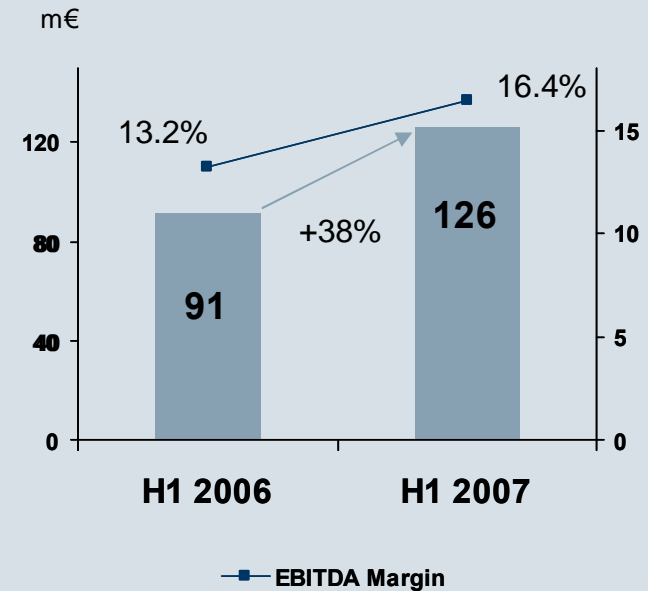
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Summary H107 Financials – Commercial OEM Business

Revenues Commercial OEM Business



EBITDA OEM Business



	31.12.2006	30.06.2007	Change
Order backlog Commercial OEM in m\$	2,325.4	2,319.1	- 0.3%

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MTU Evaluating Several Options to Participate in A350 XWB Program

Airbus A350 XWB



GP7000 Engine

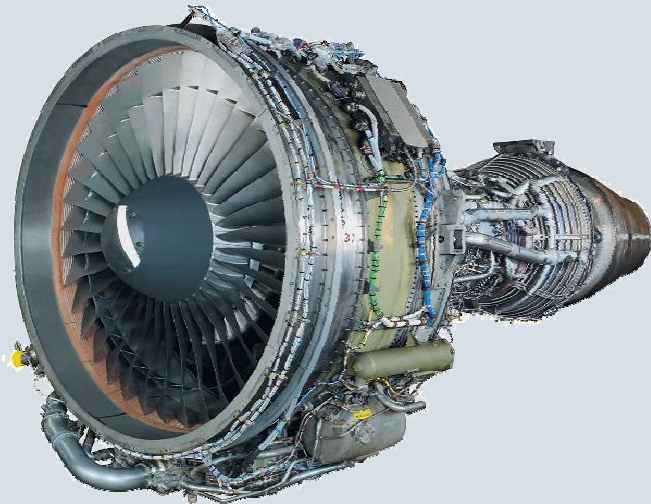


Status

- MTU considers A350 XWB an interesting, but challenging program (thrust range and efficiency expectations).
- Airbus requires one single engine family for all aircraft variants.
- MTU is evaluating an appropriate product offering/ program participation with OEMs.
- Aircraft program schedule does not require short-term engine decision - Airline customers, however, request quick solution.

PW2000/F117 Series Production Secured at Least Until 2011

PW2000 Engine



Status

Announced firm orders:

USAF	190 A/C
USAF	20 A/C (30?)
Australia	4 A/C
UK	5 A/C
Canada	4 A/C
NATO	3 A/C

Total 226 A/C = 904 eng. + spares

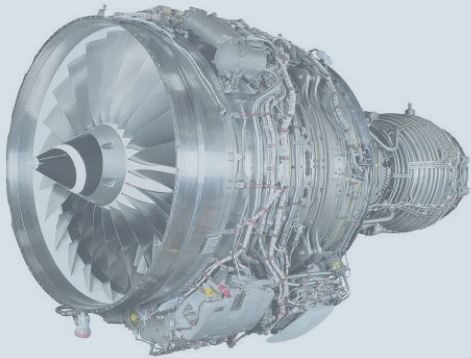
+ Potential new orders:

x A/C = xxxx Engines

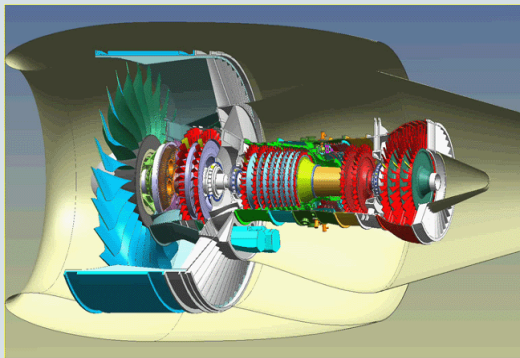
- MTU's planning scenario is based on firm orders and leads to production until mid 2011

IAE Preferred Route for NGSA – GTF Reveals Promising Test Results

V2500 Engine



Geared Turbofan (GTF)



Status

- IAE shareholders' statement at Le Bourget 2007:
 - "IAE remains preferred route to market for all its shareholders on current and future applications"
 - Go-ahead for production rate increase to meet customer demand (380-400+ engines p.a.) V2500 Select testing underway (certification end of 07)
- Continuous review of V2500 technology upgrades
- Technology activity and conceptual design studies for NGSA underway
 - HPC testing currently at MTU
 - Gear rigs are running
 - Ground testing of geared turbofan Q4 2007, flight testing in 2008

MTU participates in GenX program via “MTU Aero Solutions”

MTU Aero Solutions



Highlights

- MTU is bundling all non-RRSP activities with OEM's under trademark “MTU Aero Solutions”.
- Background: increased demand for non-RRSP products and services (engine parts, R&D, controls, manufacturing processes, testing)
- RFQ's worth 200 m € received in past 12 months
- MTU offering focused on high technology products, services and manufacturing processes
- Highlight current order book:
Discs for various engine programs incl. GenX

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Summary Commercial OEM

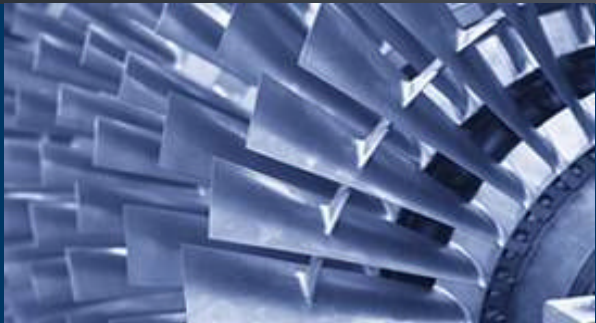
- Engine and spare parts sales encouraging (robust cycle)
- PW2000/F117 lives longer
- V2500, high sales volume, product upgrade
- IAE and NGSA, 4 party statement, technology preparation
- Airbus A350XWB Engine is an interesting target for MTU business development activity
- New trademark for supply business will be established (service and flexibility)



Commercial programs are currently facing a friendly environment, future growth based on strong fundamentals and a variety of opportunities



Highlights Military Business



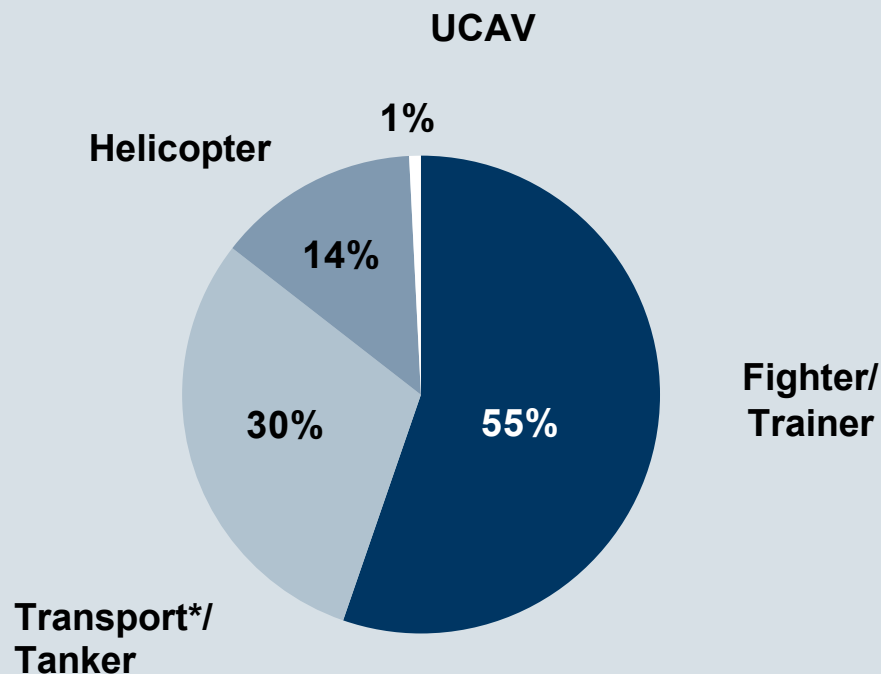
Udo Stark, CEO

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- Market Overview
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- Highlights
 - TP400-D6 Program status
 - Status EJ200 including Tranche 3
 - Cooperation with German Airforce
 - Export Business Perspectives
 - Entry into US-Military market with F414 & F404
 - Heavy Transport Helicopter/CH53-K

The Military Engine Series Market is Expected to Generate \$50bn Sales Over the Next 10 Years

Military Aero Engine Industry – Series Sales 2007-2016 by Segment



- MTU is well positioned in two of the largest segments:
 - Fighter/Trainer
 - Transport/Tanker
- The EJ200 makes up close to 30% of future expected fighter/trainer engine sales
- The TP400 is anticipated to capture 20% of worldwide Transport/Tanker engine revenue
- MTU represented in the helicopter engine segment with the MTR-390 (Tiger) and T64 (CH53)

* Incl. Special Mission aircraft

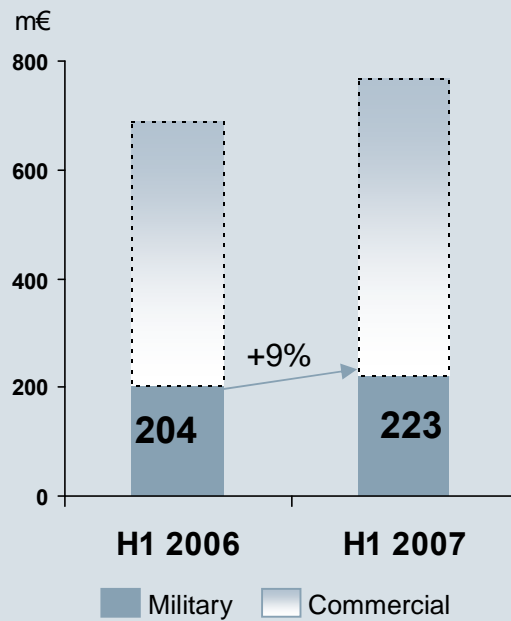
Source: MTU

Agenda

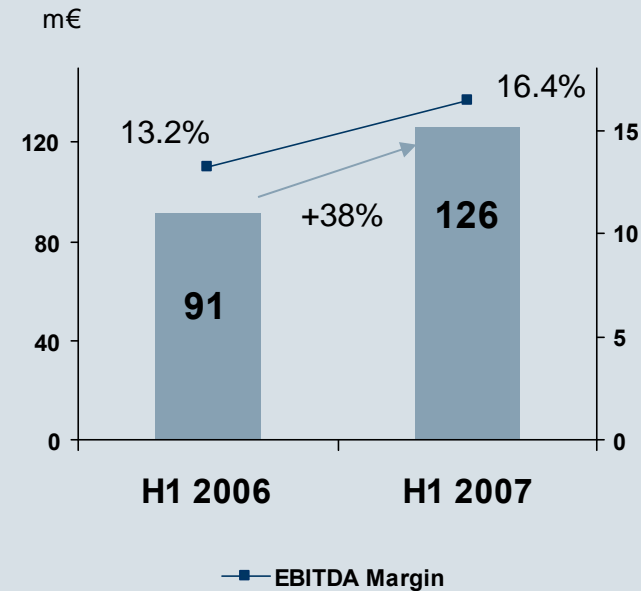
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Summary H107 Financials – Military Business

Revenues Military Business



EBITDA OEM Business



31.12.2006

30.06.2007

Change

**Order backlog Military Business
in m\$**

1,452.7

1,391.9

- 4.2%

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TP400 Engine Currently on Track to Meet Airbus Schedule

TP400 – D6 Engine

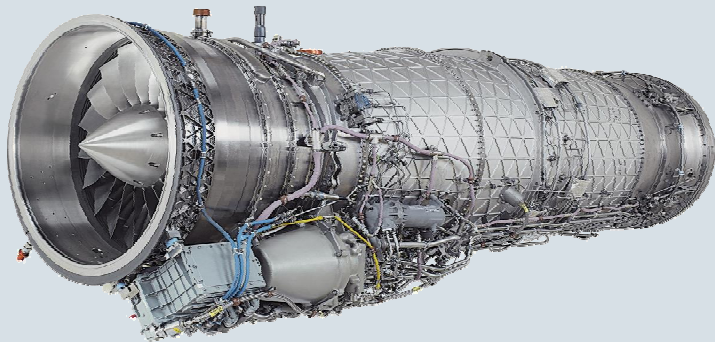


Status

- Complex system interfaces (Engine – Propeller – Aircraft) finalised with Airbus and suppliers, leading to delays in the development program.
- Final assembly of Flight Test Engines launched at MTU in July.
- Next milestone: „Flying Testbed“ scheduled for Dec 2007.
- First flight of A400M with TP400 engine postponed by Airbus until summer 2008.
- Airbus´ request for new modifications on engine and system design (loads, software, lightening requirements) may lead to an increase in development cost.
- MTU has taken a 24 m € provision in Q4/06 for risks out of the development program.

Negotiations on EJ200 Tranche 3 to Begin End of 2007

EJ 200 Engine



Status

- Tranche 1:
Completed - 363 engines delivered
 - Tranche 2:
First engine delivered in July 2007 – in total 519 engines until 2012
 - Tranche 3:
 - MTU is currently working with its partners on the contract for 500 Engines. The offer will be submitted by end of 07.
 - Schedule agreed with customer nations and partners.
 - Signature for airframe and engine anticipated end of 2008/ early 2009.
- ➔ MTU expects contract conditions and volumes for Tranche 3 according to the frame contract signed in 1998.

Cooperation with German Airforce Well-Established

Cooperation with German Airforce

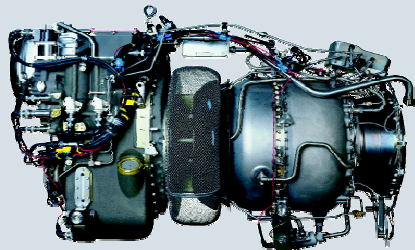
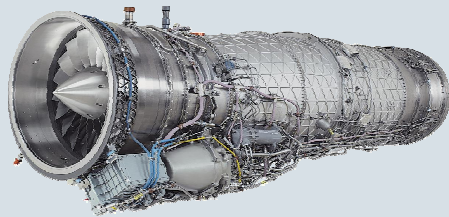


Status

- MTU cooperation with German Airforce enjoys high reputation with governmental Authorities – visit of Dr. Franz Josef Jung, Minister of Defence in August 2007.
 - Total staff currently at 200 employees
Thereof: 58 Soldiers, 43 Civilian employees of the Federal Armed Forces and 99 MTU employees
 - Current MRO programs:
 - RR250–C20B (BO105 Helicopter)
 - RB199 (Tornado Aircraft)
 - J79-17 (Phantom Aircraft)
 - Extension by MTR390 (Tiger Helicopter) already planned.
- ➔ Cooperation underpins outstanding relationship with German Airforce as one of MTU's Key Customers

Promising Opportunities for Export Business

Key Programs



Status

- **EJ200**

- Saudi Arabia contract to be finalized in 2007 (72 A/C)
- Support contract for Austria to be concluded
- Additional campaigns for Switzerland, India etc.

- **RB199**

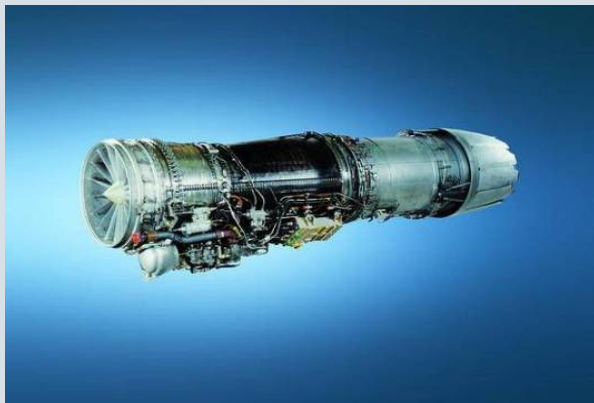
- Partner agreement with Saudi Advanced Electronics Company and Diehl for RB199 DECU signed in June 2007
- DECU contract from Royal Saudi Airforce expected in 2008

- **MTR390**

- Support contracts for Australia to be concluded in 2007
- Potential export orders for Tiger/ MTR390 in 2009

With Entry into F414/F404 MTU is Participating in One of the Largest Military Engine Programs in the US

F414/F404



Status

- Combined program share F414/F404 at 5,9%
- Increase by further 4-5% under negotiation with GE
- Additional potential for 800m€ revenues over program life
- Production ramp-up proceeding according to plan

Aircraft applications

F414:

F/A -18 E/F Super Hornet
EA – 18G Growler

290 active aircraft
586 active engines

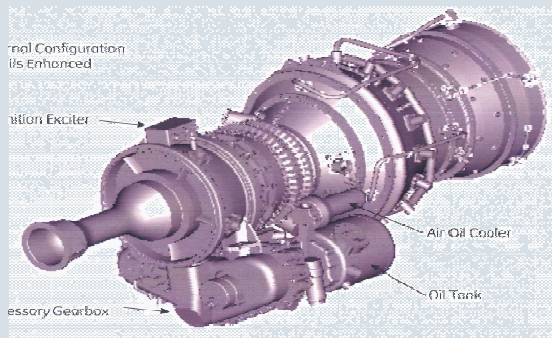
F404 (F414 predecessor):

F/A – 18 A/B/C/D
T50 Trainer
JAS-39 (Gripen)
Light Combat Aircraft (LCA)

1,340 active aircraft
2,456 active engines

Potential Participation in New Heavy Lift Helicopter (CH 53-K)

HTH/CH53-K



Status

- Helicopters represent 13% of total new build military demand until 2040
- Helicopters are the fastest growing platform segment within the military business (at 2.0% p.a. real) - greatest growth in naval and transport helicopters

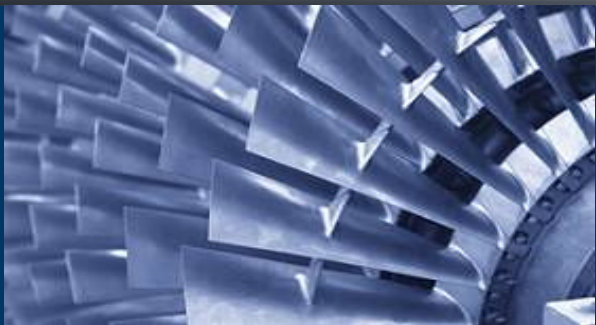
➔ **MTU currently evaluating potential participation in new heavy lift helicopter CH53-K**

Summary Military Business

- **MTU well positioned in two largest market segments: Fighter/Trainer and Transport/Tanker**
- **TP400 engine currently on track to meet Airbus schedule**
- **Negotiations on EJ200 Tranche 3 to begin end of 2007**
- **Cooperation with German Airforce well-established**
- **Promising export opportunities**
- **With entry into F414/F404 market MTU is participating in one of the largest military engine programs in the US**
- **Potential participation in US Heavy Transport Helicopter program**



Update on Commercial MRO Strategy, Markets and Operational Performance



Bernd Kessler,
President and CEO Commercial Maintenance

Agenda

- Commercial MRO – Status Quo
- Summary H107 Financials
- Market Outlook
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- Growth
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Commercial MRO – Status Quo

Growth

- Contract Wins of 3.1 bn US\$ ytd 2007 (ytd 08/2006: 1.2 bn US\$)
- Total Contract Value 6.2 bn US\$ (FY 2006: 4.8 bn US\$)
- 23 new customers ytd 2007
- Strong growth at MTU Maintenance Zhuhai
- MTU Maintenance Zhuhai approved by major US based airlines
- Expansion of MTU Maintenance Hanover and ASSB Malaysia

Major Initiatives

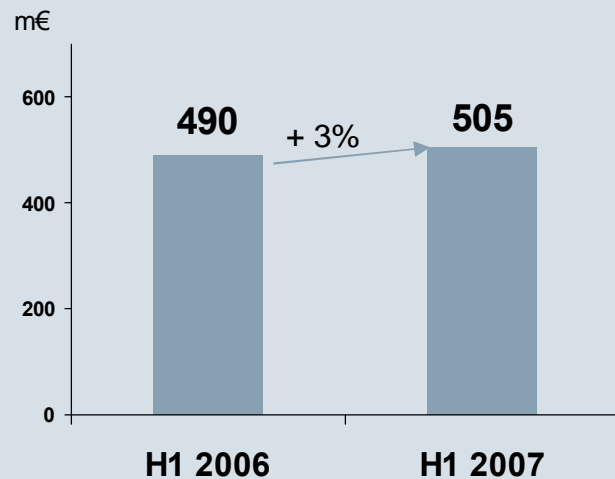
- New ERP system implementation at MTU Maintenance Hanover and Vancouver
- New testcell at Hanover facility under construction
- Implementation of new High Tech Repairs

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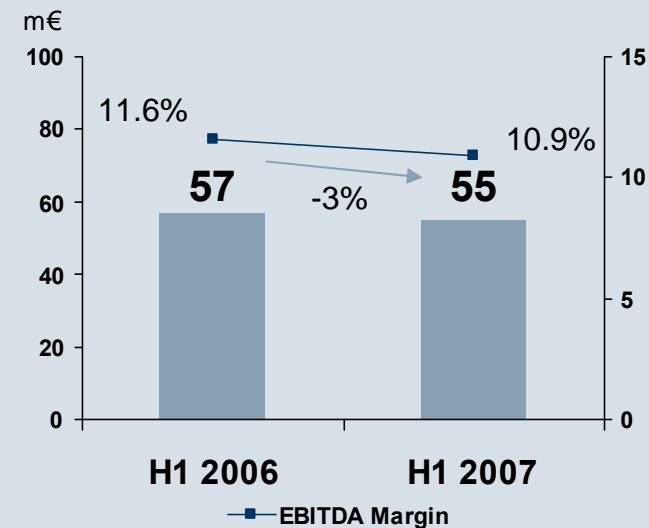
Summary H107 Financials – MRO Business

Revenues MRO Business



* FX adjusted revenues = + 12%

EBITDA MRO Business



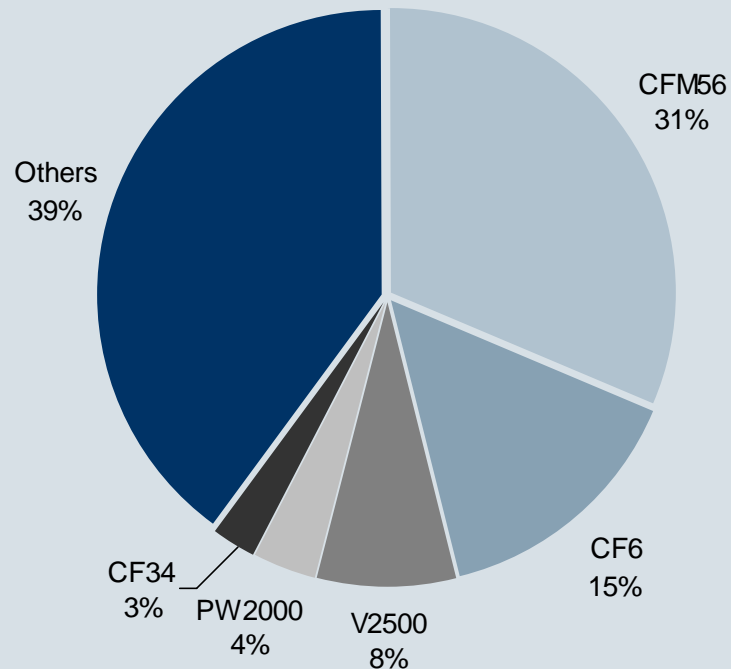
in m US\$	31.12.2006	30.06.2007	Change
Contract Volume MRO (in mUS\$)	4,847.0	6,203.7	+28.0%

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Worldwide Commercial MRO Market 2007-2016

Commercial MRO Business – Sales 2007 – 2016 by Program



- Growth: 16 bn US\$ in '07 to 31.5 bn US\$ in '16
- Anticipated growth: ~7% CAGR 2007-16
- Outlook improved over the past year
- New a/c deliveries drive MRO growth
- MTU covers key growth programs:

Program	CAGR 2007-16
CFM56	10,4%
V2500	10,4%
CF34	16,9%

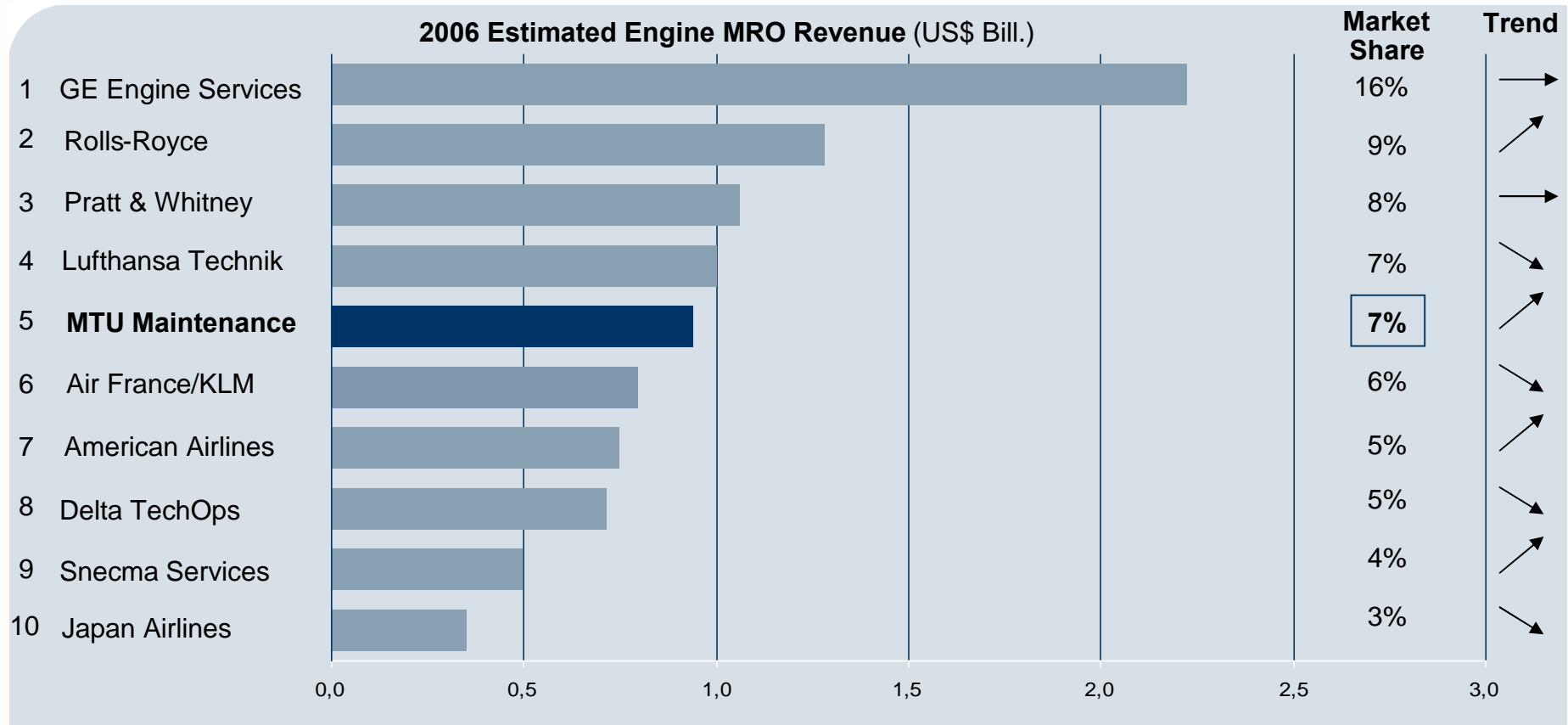
MTU Sales expected to grow above market mid term

Commercial MRO – Market Trends

Trends

- Strong market growth continues
- Above average growth in the Middle East, Asia and Latin-America
- Growing proportion of new a/c orders by BRIC countries (Brazil, Russia, India, China)
- Rising demand for MRO infrastructure in these new emerging markets (local content)
- Strong demand for CFM56-7 MRO services to come
- Ongoing consolidation phase in the industry (peak multiples)
- Restrictive OEM policy with regards to granting MRO licenses
- PMA parts continue to play a role in the market

Top 10 Engine MRO Providers



MTU gained to 2% market share since 2005.

Agenda

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Commercial MRO – Implementing a New ERP System

Objective

- Common system across the MTU group
- Efficiency improvement
- Significantly higher degree of data transparency, standardized reporting
- Forward and backward integration with customers and suppliers

Implementation

- Implementation at Hanover and Vancouver facility
- 22 months project preparation with a dedicated project team (25 headcount)
- 8 workdays of scheduled production shutdown in June 07 for legacy data migration

Status Quo

- System integration completed almost flawlessly
- System operating stable
- Increased system complexity vs former system
- Currently encountering supply chain process issues
- Ramp up phase slower than anticipated

Commercial MRO – Implementing a New ERP System (ctd.)

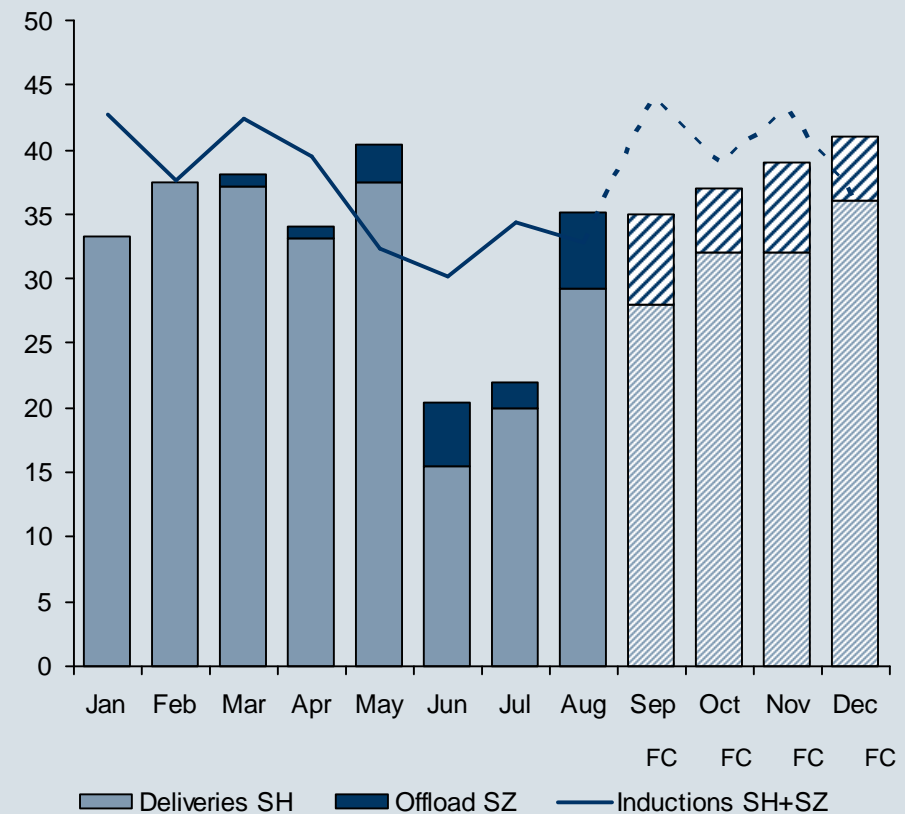
Risk Mitigation

- Availability of lease engines
- Staggering of engine removals
- Off loading to MTU Zhuhai
- Working 7 days a week
- Intensified training efforts

Outlook

- MTU Hanover recovered by Dec. 07

Ramp up phase – SLUs large engines



Commercial MRO – New Test Facility in Hanover

State of the art test facility



Key facts

- Max. Thrust: 150 k lbf
- Cross section: 13 m
- Base area: 1.800 m²
- Length of the facility: ~ 100 m
- Width of the testbed: ~ 15 m
- Height of the exhaust: ~ 35 m
- Investment: 21 m €
- Construction time: 13 months
- First engine run: July 08

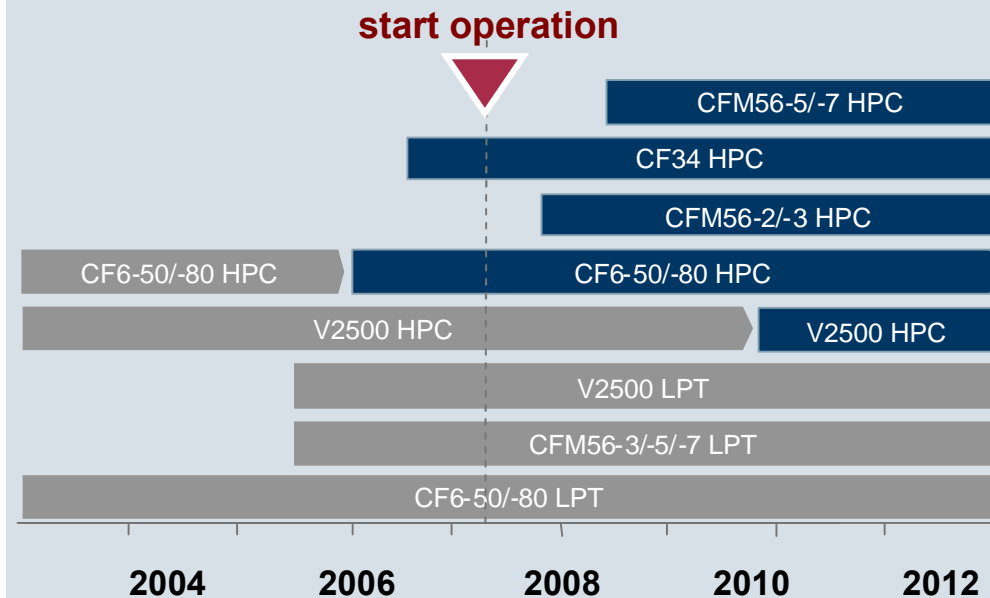
Commercial MRO – Expansion Malaysia Facility

Status Quo: Expansion



- Set up of new facility completed
- 8,500 m²
- 15 m US\$ investment
- Capacity nearly quadrupled
- Over 300 additional employees

Product Implementation Plan



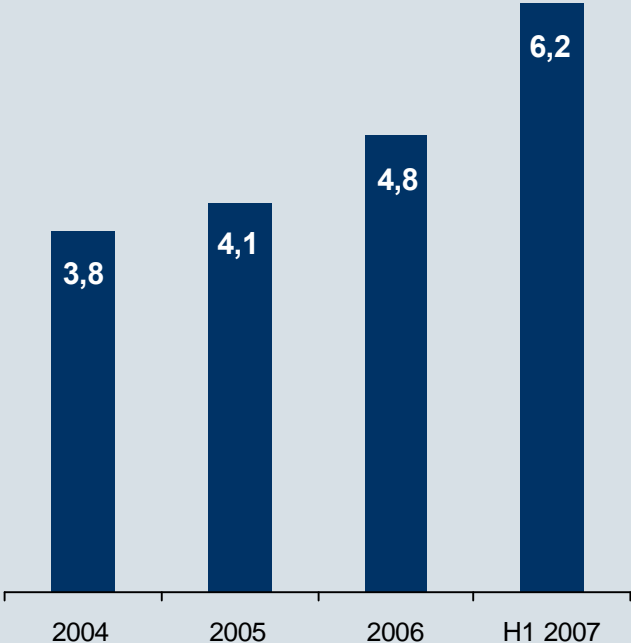
- Continuous implementation of new products and technologies

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Commercial MRO - Latest Wins January to August 2007

Total Contract Volume per 30.06.07 amounts to US\$ 6.2 bn.

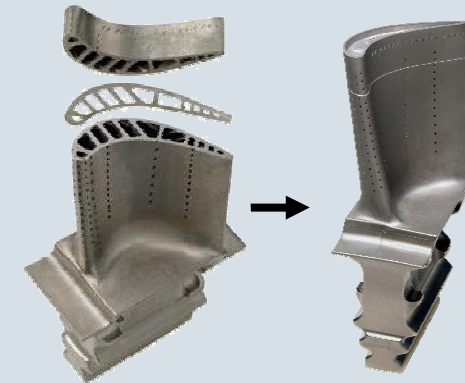
Customer	Engine	Sales m US\$	MRO Contract Value (bn US\$)
JetBlue	V2500	2,300	
Garuda	CFM56	200	
Thomas Cook	V2500	42	
Cathay Pacific	CF6-50	35	
Air New Zealand	CF6-80	32	
Miscellaneous	Various	523	
Total		3,132	

MTU is participating in Sales Campaigns amounting to a total of 10 bn US\$.

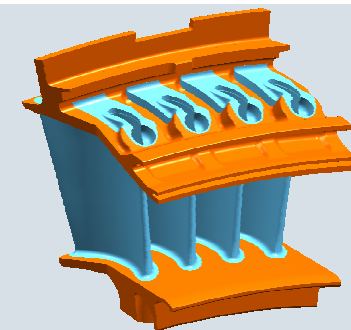
Commercial MRO - Highlights Repair Development H1 2007

Repair development (High Tech)

- ERCoat^{nt} Advanced Nano Technology Coating
 - First application: V2500 HPC Airfoils
 - Adaptation on CF6-80, CF34 & CFM56-7 (Dec. 07)
 - USP: coating durability, improved erosion resistance at high operating temperatures
- Airfoil Replacement Projekte
 - Application: CFM56-7 HPT Vanes
 - Adaptation on CF6-80 and CF34 planned
 - USP: material cost reduction
- CBN Tip Coating
 - Application: V2500 HPT Blades
 - Adaptation on PW4000 HPT Blades
 - USP: material cost reduction, shorter process time, higher oxydation resistance (EGT Margin improvement)



**Airfoil Replacement
for Turbine Blades**

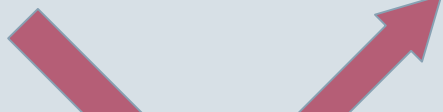
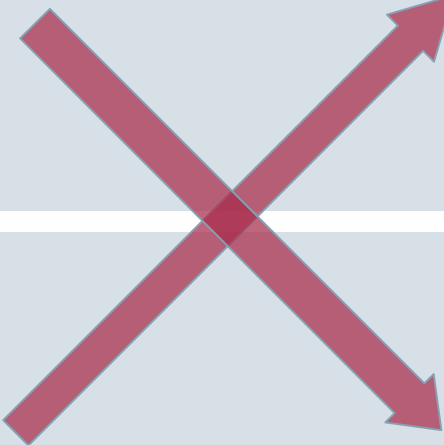


**Individual AFR, airfoil with
miniplatform (CFM56-7 LPT1)**

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Strategic Direction

Strategic "X"	Actions
<p style="text-align: center;">Invest into growth opportunities</p> 	<ul style="list-style-type: none"> • Grow Core Business: <ul style="list-style-type: none"> • Grow market shares with existing programs • Entry into new attractive engine programs (GE90, GENX, GP7000, NGSA) • Regional strategies • Innovative leasing products • Marketing cooperations "nose-to-tail" • Grow parts repair business
 <p style="text-align: center;">Improve competitiveness</p>	<ul style="list-style-type: none"> • New ERP system • Low Cost (ASSB Malaysia, MTU Zhuhai) • Center of Excellence Concept • Supply Chain Management • CIP • Repair development

Agenda

- Commercial MRO – Status Quo
- Summary H107 Financials
- Market Outlook
- Operations
- Growth
- Strategy
- Summary

Commercial MRO - Summary

Growth will continue to outpace market

- Exceptionally strong growth over the past 3 years
- 2007 growth will be temporarily slowed down due to ERP implementation
- Major future growth opportunities exist
- Above market growth expected mid term
- Long term contract volume at record levels

Continuous focus on Cost Productivity

- Integrated Supply Chain Management
- Continuous Improvement Program
- ERP Implementation
- Center of Excellence Concept
- Low Cost Initiatives

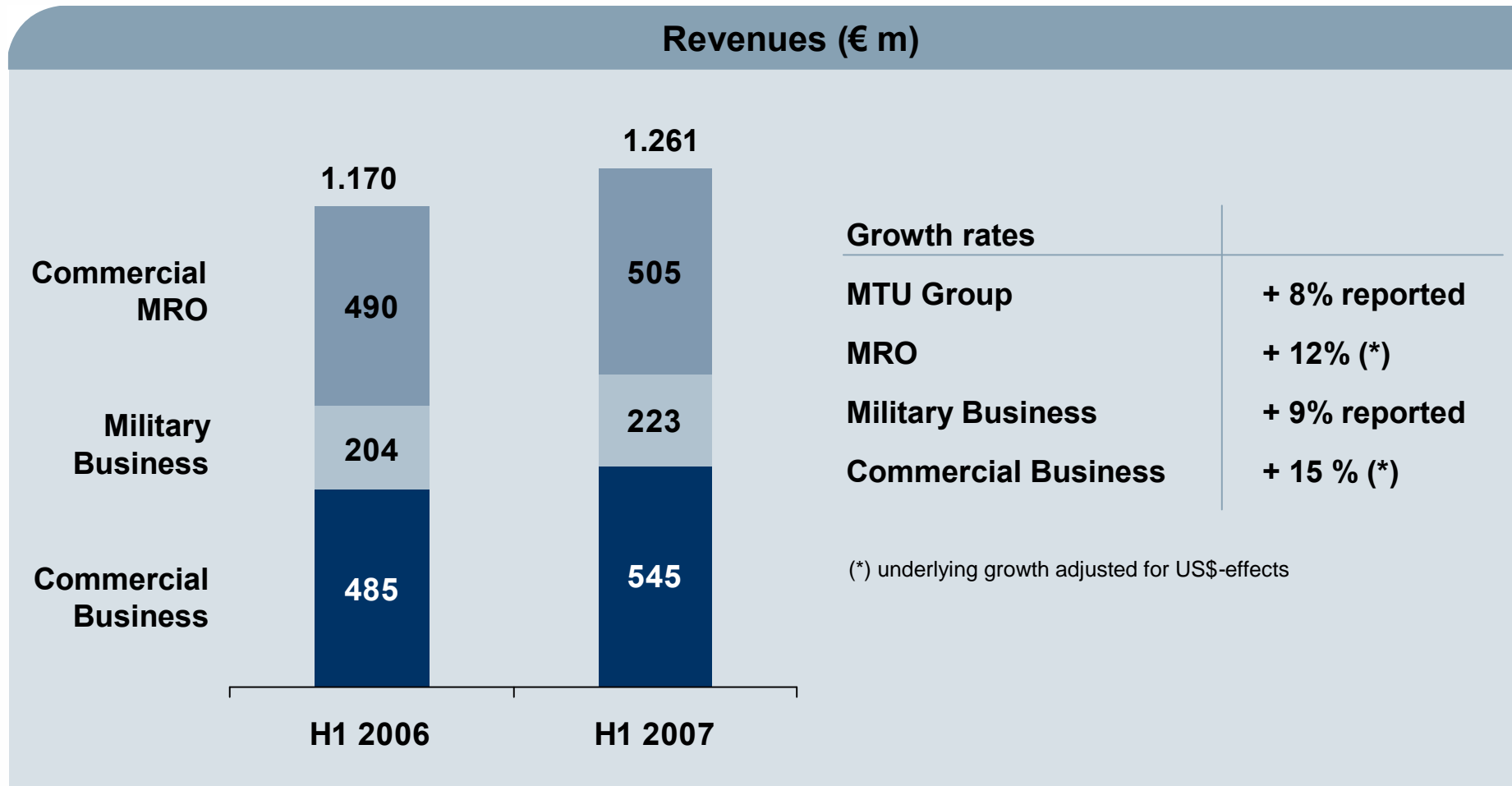
MRO fundamentals remain strong

Long-term Cost Initiatives

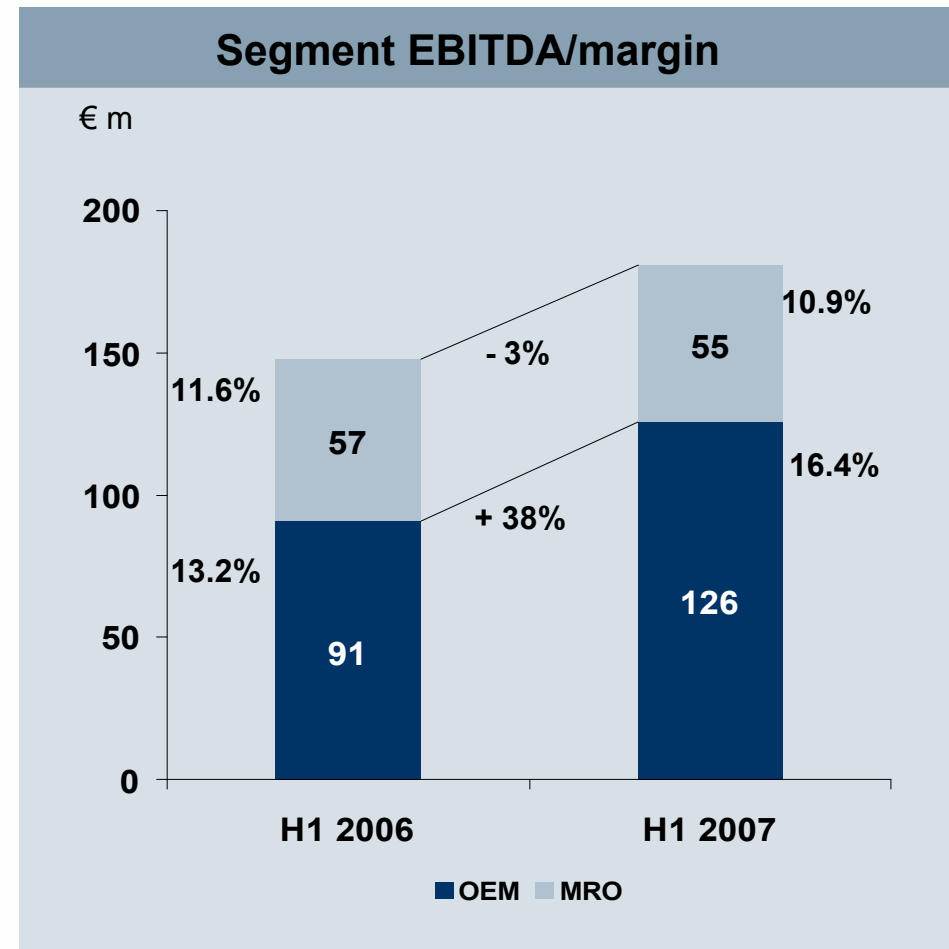
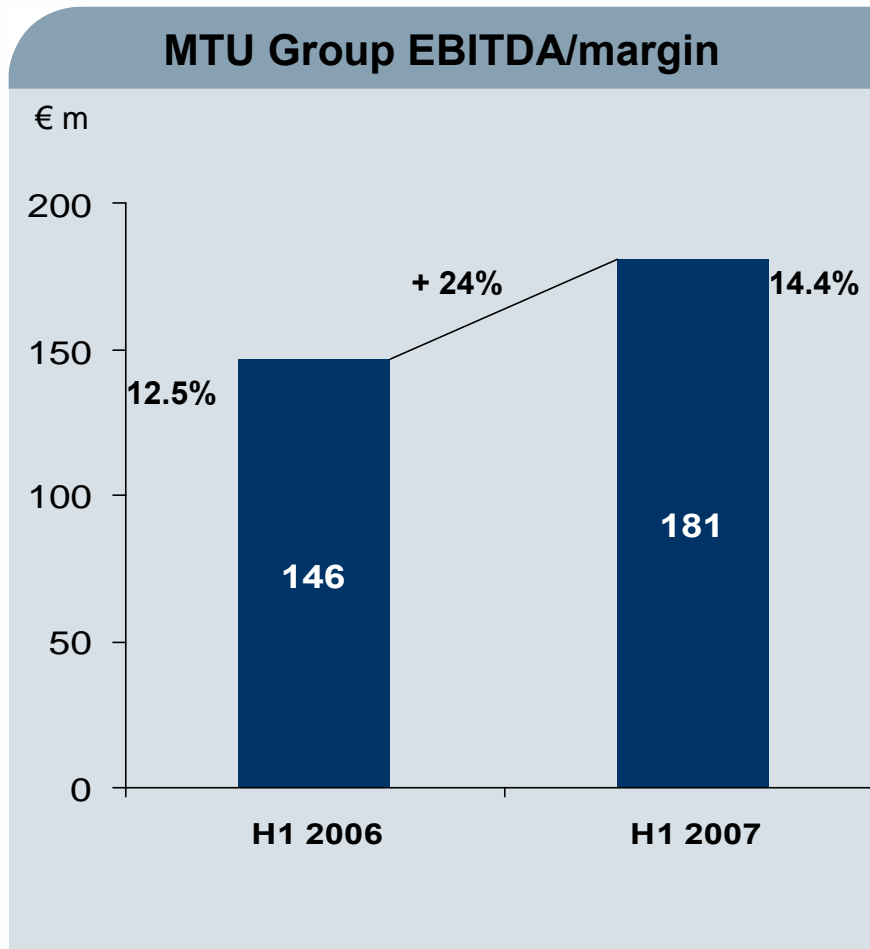


Reiner Winkler, CFO

Overview H1 2007 Financial Performance (1/3)

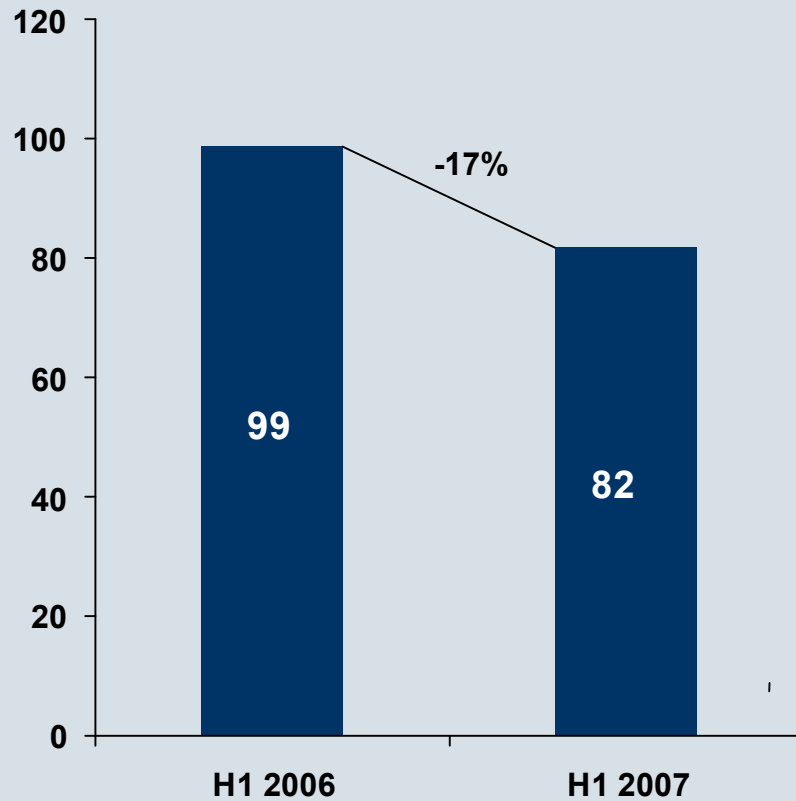


Overview H1 2007 Financial Performance (2/3)

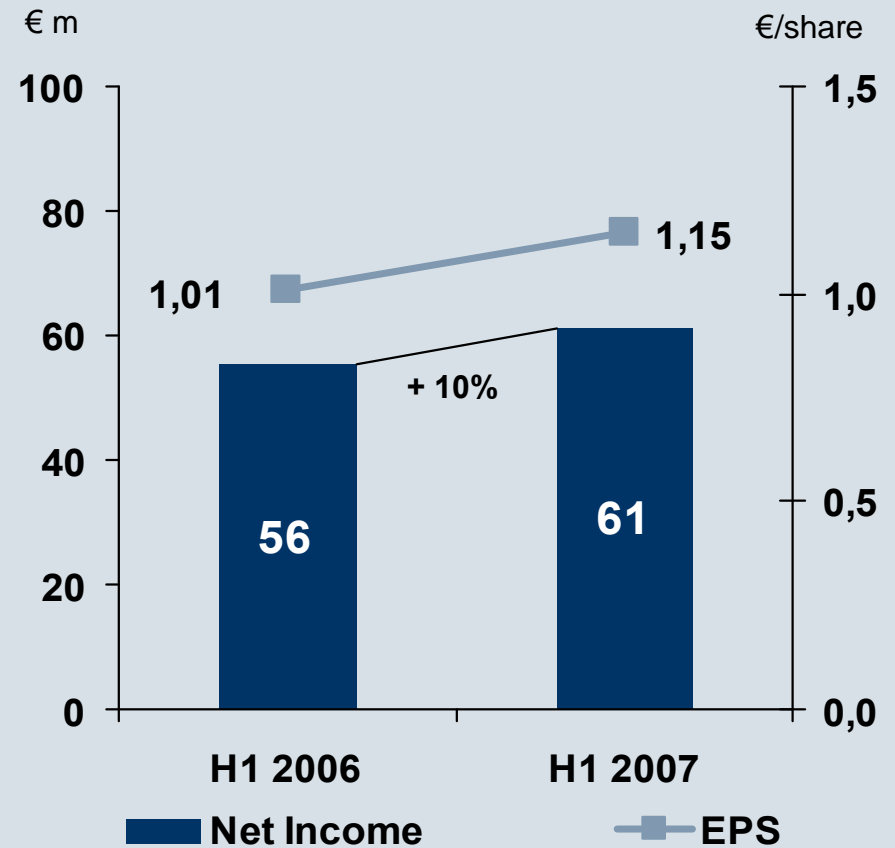


Overview H1 2007 Financial Performance (3/3)

Free Cash Flow

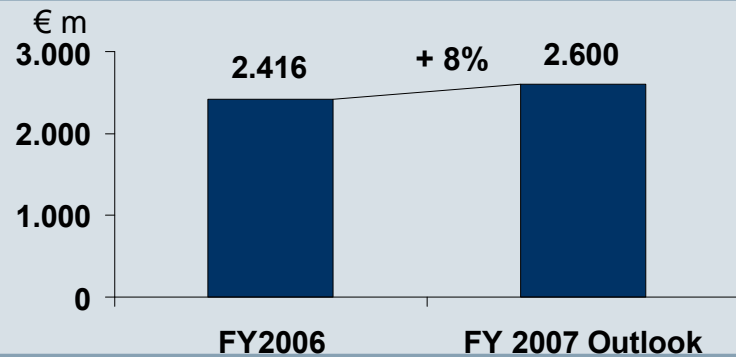


Net Income / EPS (underlying)

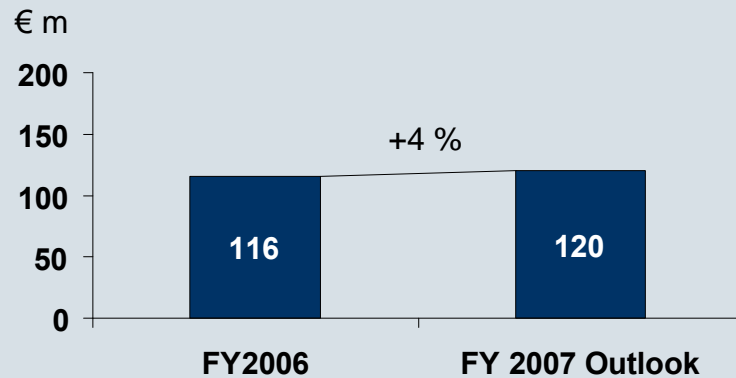


FY 2007 Outlook Confirmed

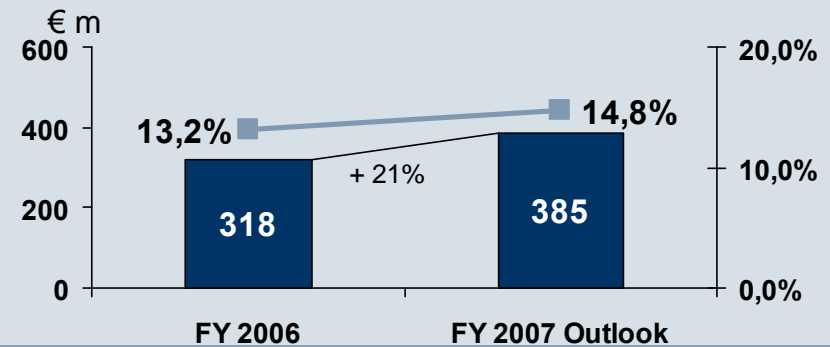
Revenues



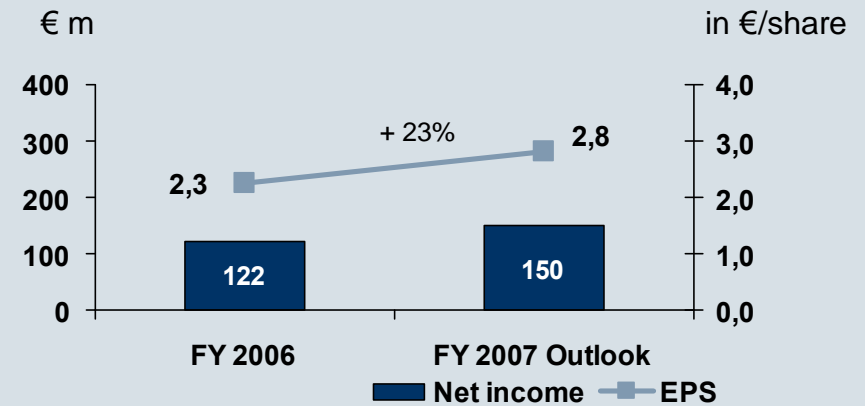
Free Cash Flow



EBITDA adj. (margin)

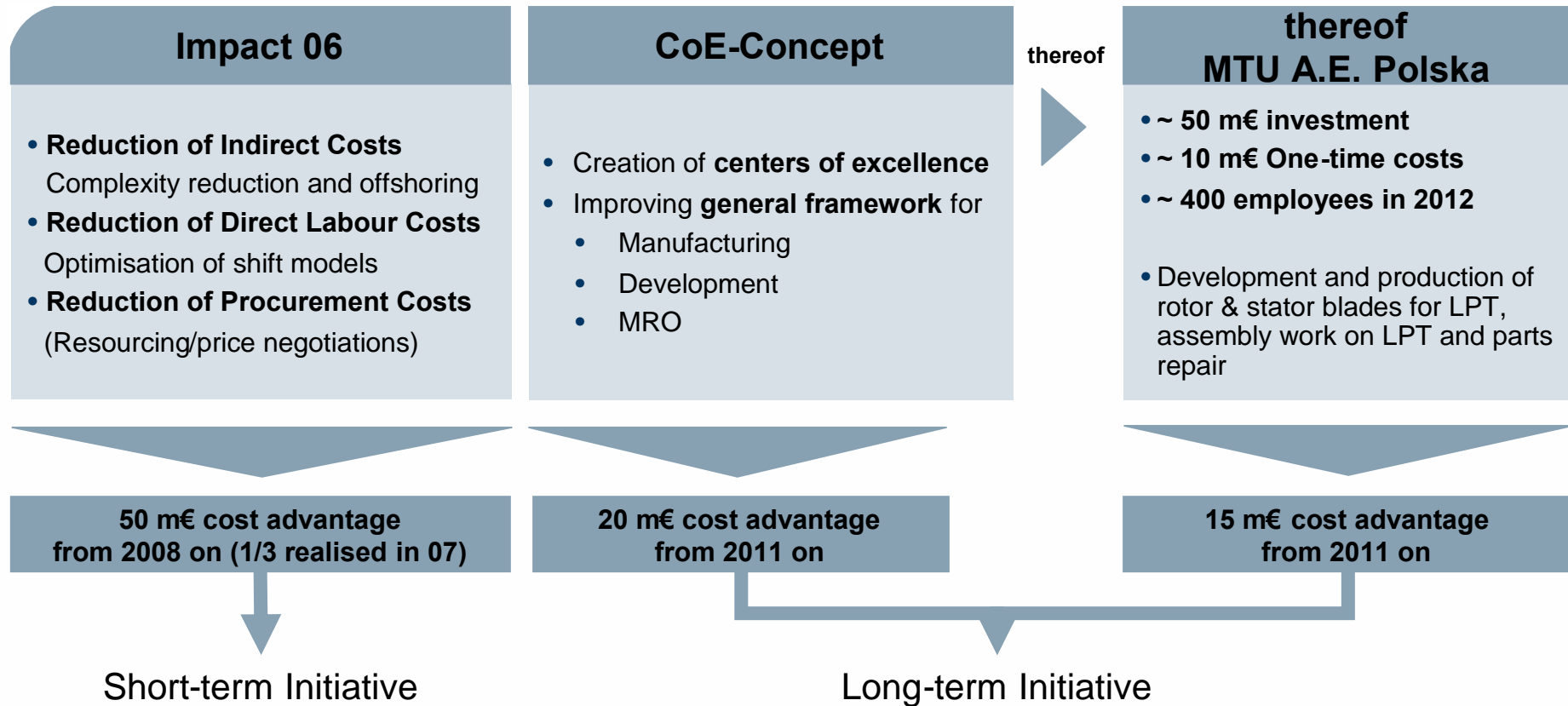


Net Income / EPS (underlying)



Overview of Current MTU Cost Efficiency Initiatives

Impact 100 program led to 310 m € cash savings in 2004-2006



Center of Excellence (CoE) Concept MTU 2012 - Targets

The realisation of growth targets requires forward-looking structures

Targets „Center of Excellence concept 2012“

Manufacturing

- **Reduce manufacturing costs** especially on new programs
- **Improve the general framework for growth in supply business**
- **Stabilize the company's degree of value-add**

Development

- **Reduce development costs**
- **Accelerate development cycles**

MRO Parts Repair

- **Balance capacities between Hannover and Berlin / Ludwigsfelde** (and also other locations of MTU group) to secure MRO growth
- **Improvement of the cost position**
- **Increase internal repair capacities**

Center of Excellence Concept – Main Projects

The CoE concept can be divided into two main projects

Project 1: „Establishing new location in Rzeszów”

- **Establishing infrastructure**
- **Transferring / Insourcing**
 - Manufacturing
 - Module assembly
 - Parts-Repair
 - Development

**Transfer of
~ 400.000* h**

* Manufacturing-, repair hours

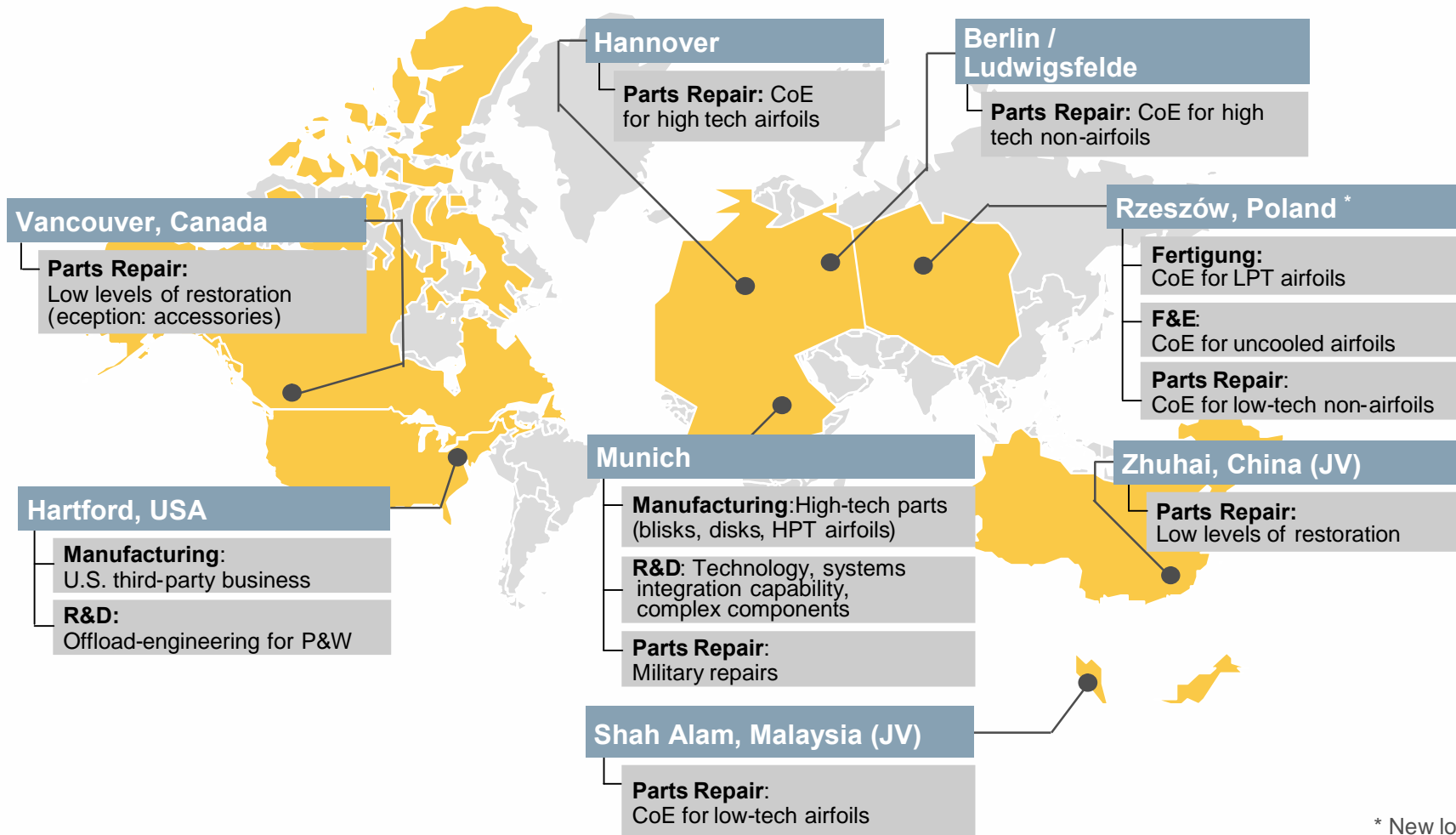
Project 2: „Structural project MRO”

- **Transfer between the Repair - Facilities**
 - Berlin
 - Hannover
 - Malaysia
- **Insourcing of 3rd party business** where economic viability has been demonstrated
 - Hannover
 - Berlin
 - Malaysia

**Transfer of
~ 300.000* h**

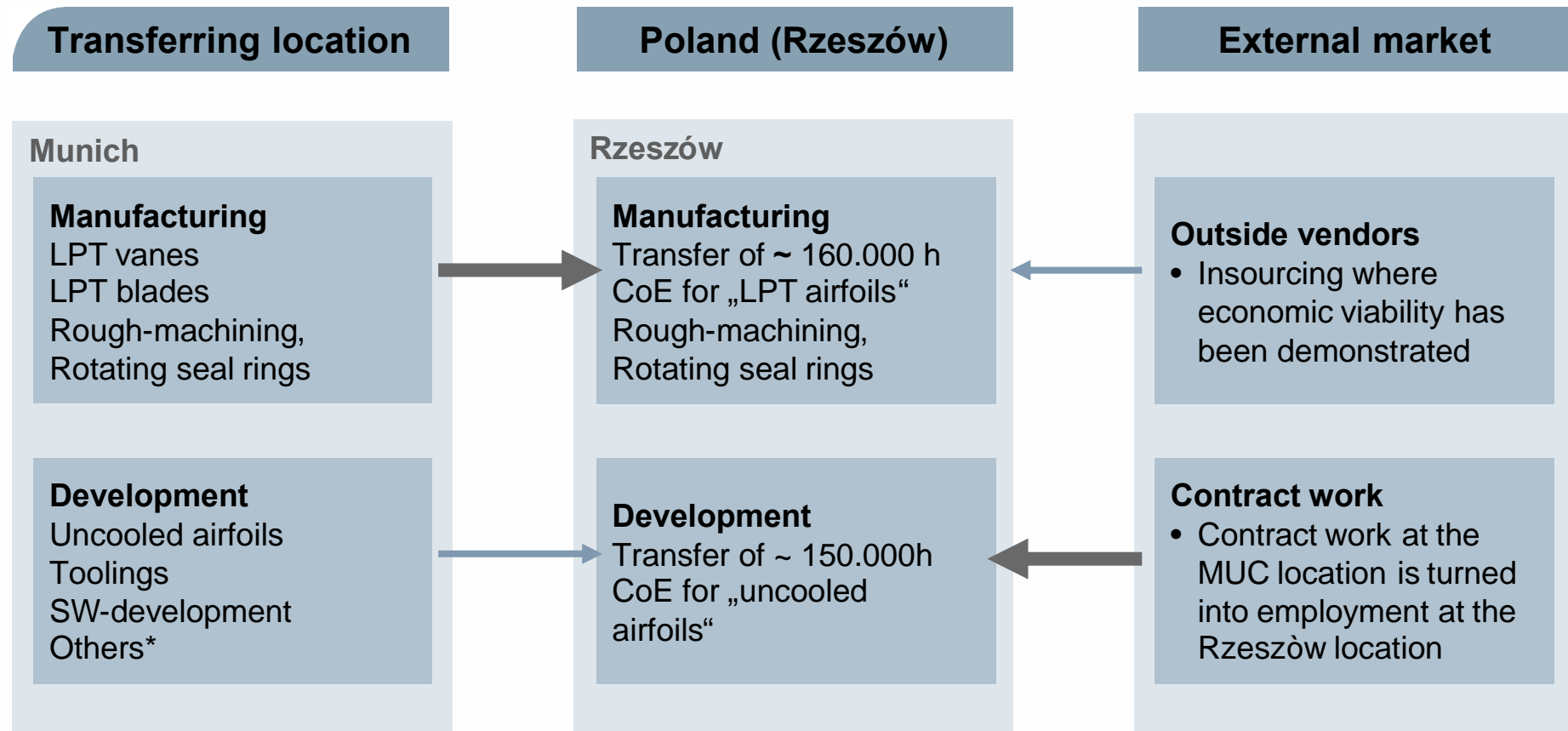
Result: Establishment of Centers of Excellence

The new concept provides for the pooling of competencies in „Centers of Excellence“ (CoE) and the addition of a location in Rzeszów (Poland).



* New location

CoE Concept: OEM (Manufacturing & Development) – Transfers

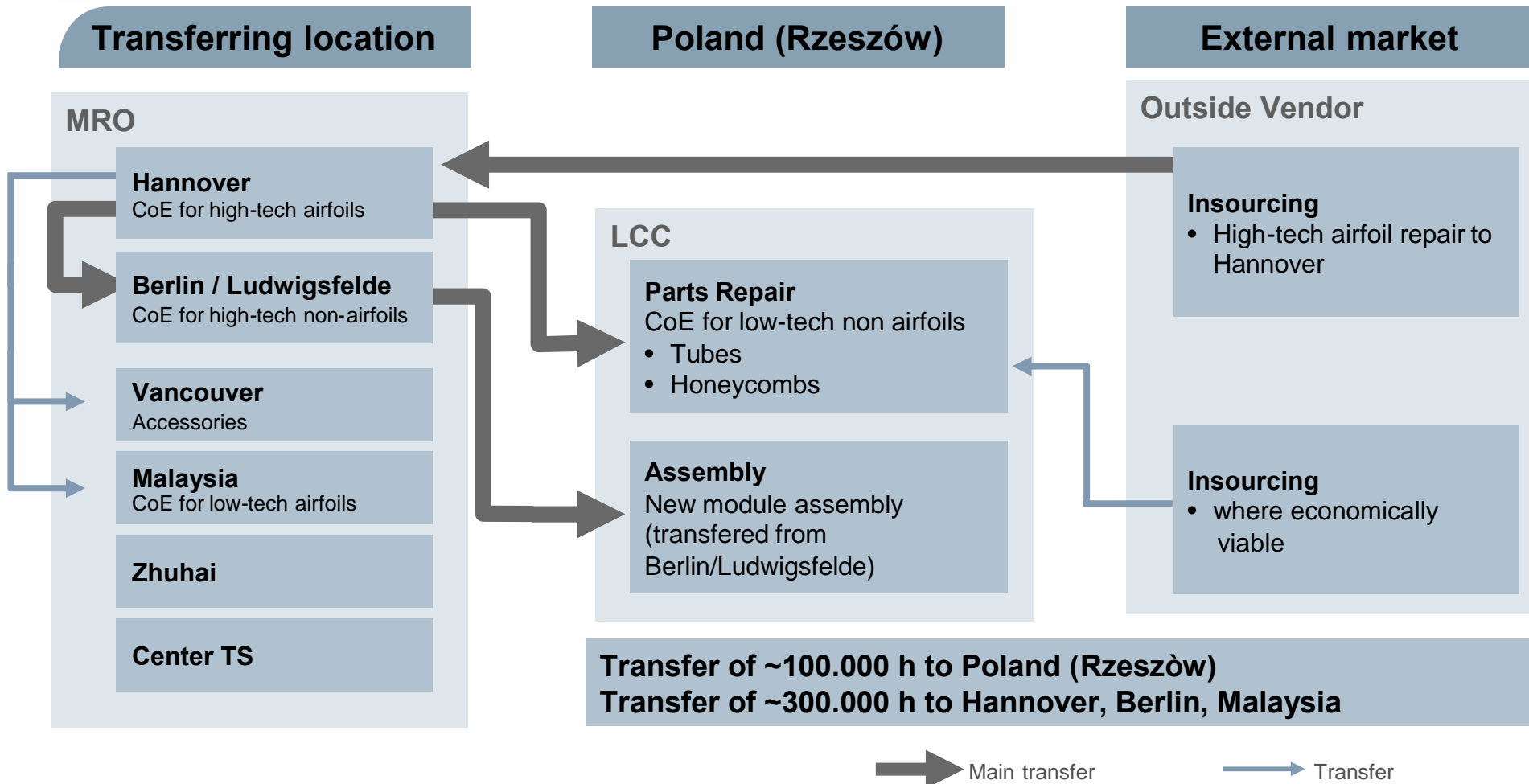


➔ Main transfer

➔ Transfer

*) Design, instrumentation, manufacturing process development

CoE Concept: MRO Parts Repair/Module Assembly - Transfers



Transfer of ~100.000 h to Poland (Rzeszów)
 Transfer of ~300.000 h to Hannover, Berlin, Malaysia

➔ Main transfer ➔ Transfer

Economical Facts:

CoE Concept / MTU Aero Engines Polska

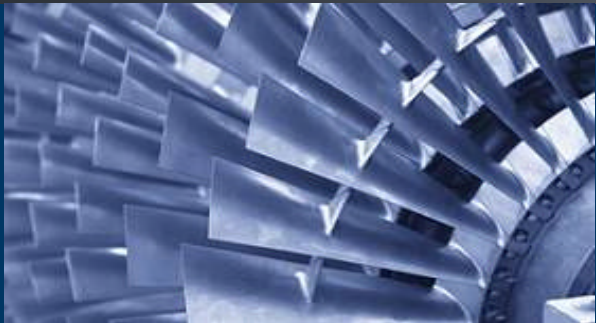
	CoE Concept	thereof MTU A.E. Polska
Investment	~ 65 m€	~ 50 m€
One-time costs	~ 21m€	~ 10 m€
Cost advantage	~ 20 m€ annually from 2011 on	~ 15 m€ annually from 2011 on
Staff	<ul style="list-style-type: none"> • No effect on Munich employment • Growth in MRO business will create additional jobs in Hannover and Berlin over the next 5 years 	~ 400 employees in 2012
Transferred hours	~ 700.000 h	~ 400.000h

Summary:

- **2007 outlook confirmed**
- **Mid-term margin guidance confirmed**
 - based on USD-rate of 1.35 – 1.40
 - USD is one of the major challenges
- **Strong financial performance (Cash Flow, Net Debt) allows participation in new programs (OEM&MRO)**
- **Long-term cost initiatives will support achievement of financial targets**



Future Engines: MTU Initiatives for Emission Reduction



Dr. Rainer Martens, COO

Major Topics of Public Debate

Green sky thinking

Will spiralling fuel costs and the prospect of carbon credits signal the return of the propfan? Engine makers are dusting off some old concepts
GUY NORRIS / LOS ANGELES

Luftfahrtbranche will sauber werden

Weltverband Iata spricht sich für Aufnahme des CO₂-Emissionshandels aus. Doch soll die Politik endlich einen europäischen Luftraum schaffen.

den Terroranschlägen des Jahres 2001 und der Sars-Seuche waren die etablierten Fluggesellschaften aus Europa und den USA - vor allem letztere - mit sich selbst und ihren hohen Verlusten beschäftigt. Die

EU launches initiative for greener airplanes

'Clean Sky' program would help aviation reduce pollution

Royce Group PLC, Saab AB, Thales SA and Dassault Aviation SA. The commission, the European Union's executive arm, said the EU must give its aviation industry a helping hand to address market failures discouraging research and de-

and evaluating the effectiveness of the new technologies and systems. The proposal comes in the midst of an EU-U.S. row in the World Trade Organization, where each side is accusing the other of

Easyjet bastelt an Ecojet

Britische Fluggesellschaft will mit neuer Technik Abgase reduzieren

Green Machines

Eager to be seen as part of the 'solution,' engine makers are tackling growing environmental concerns on emissions
GUY NORRIS/LOS ANGELES

Aviation Week, 20.-27.08.2007

Flugzeuge ohne Emissionen gefordert

Frankfurt - Die International Air Transport Association (IATA) fordert innerhalb der nächsten 50 Jahre emissionsfreie Flugzeuge. Der Weltverband der

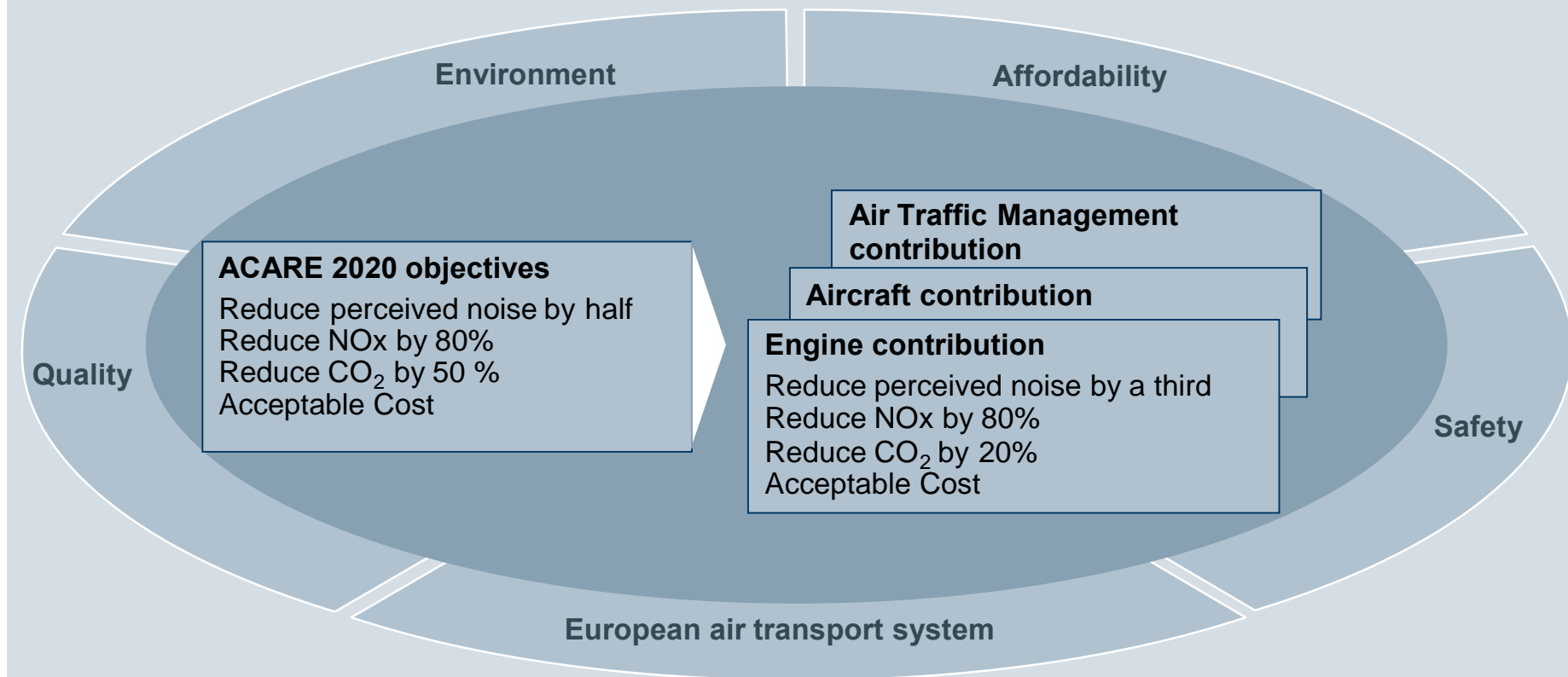
POWERPLANTS

MTU emission drive focuses on fan technology

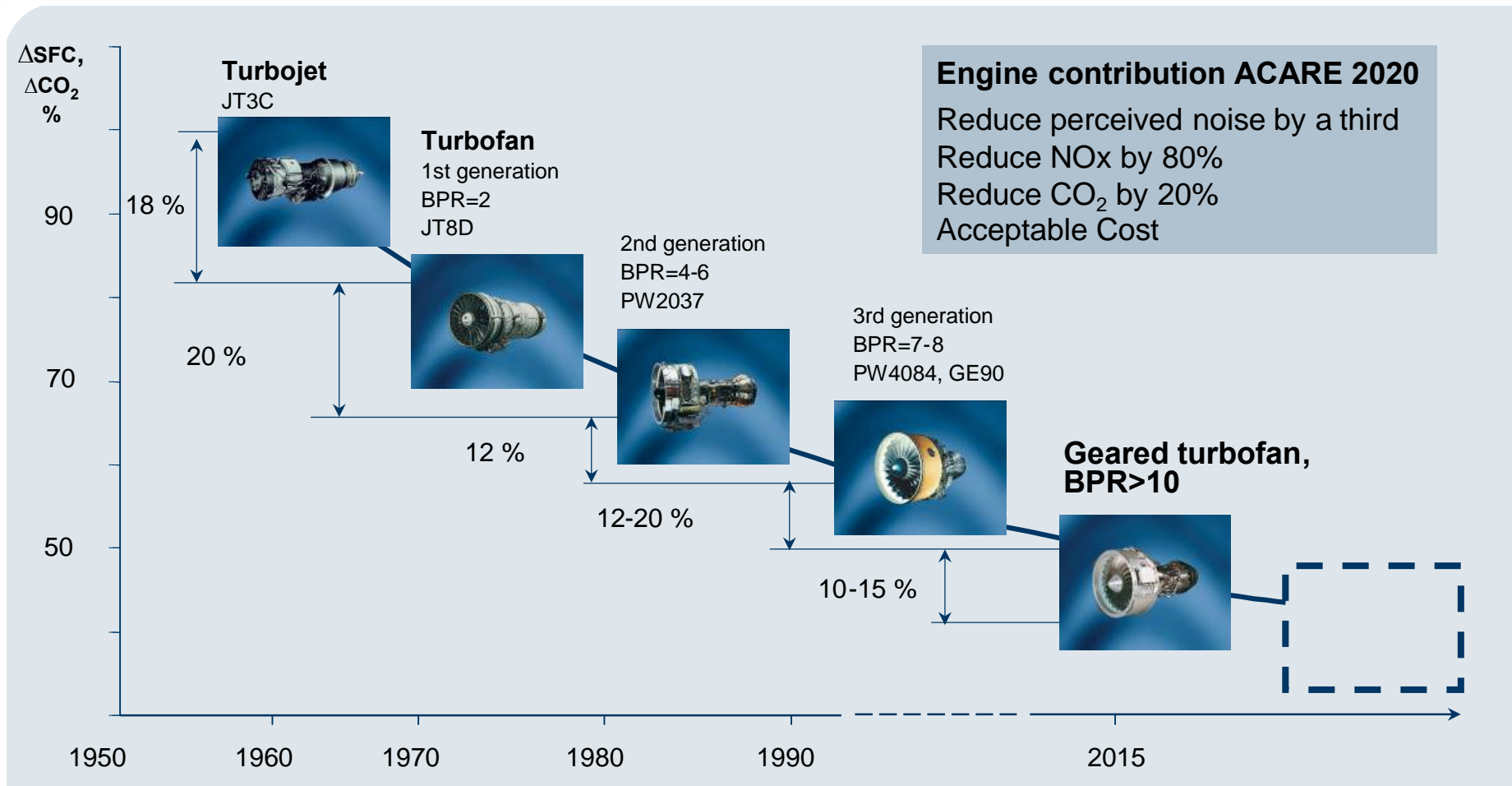
MTU is initiating a technological programme, centred on geared turbofan development, which aims to reduce CO₂ emissions by up to 30% within 30 years.

BUT: These Discussions are not New – ACARE 2020

In 2002, the Advisory Council for Aeronautical Research in Europe (ACARE) published its Strategic Research Agenda, which aims to focus European research activities on

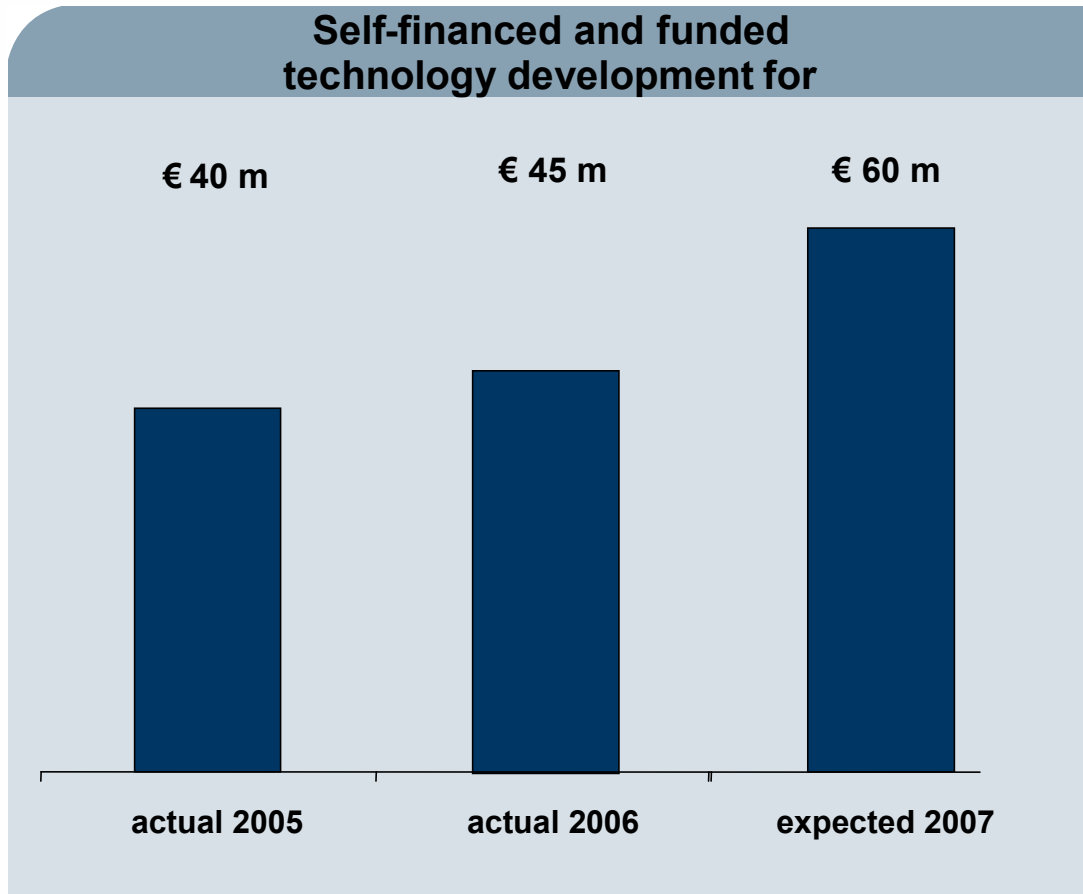


MTU Has for Years Been Working on the Improvement of Engines, the Focus of its Activities Being on the Reduction of CO2 Emissions and Costs



* Bypass Ratio

MTU's R&D Spending for Future Technologies is Focused on Environmental Issues



... future applications

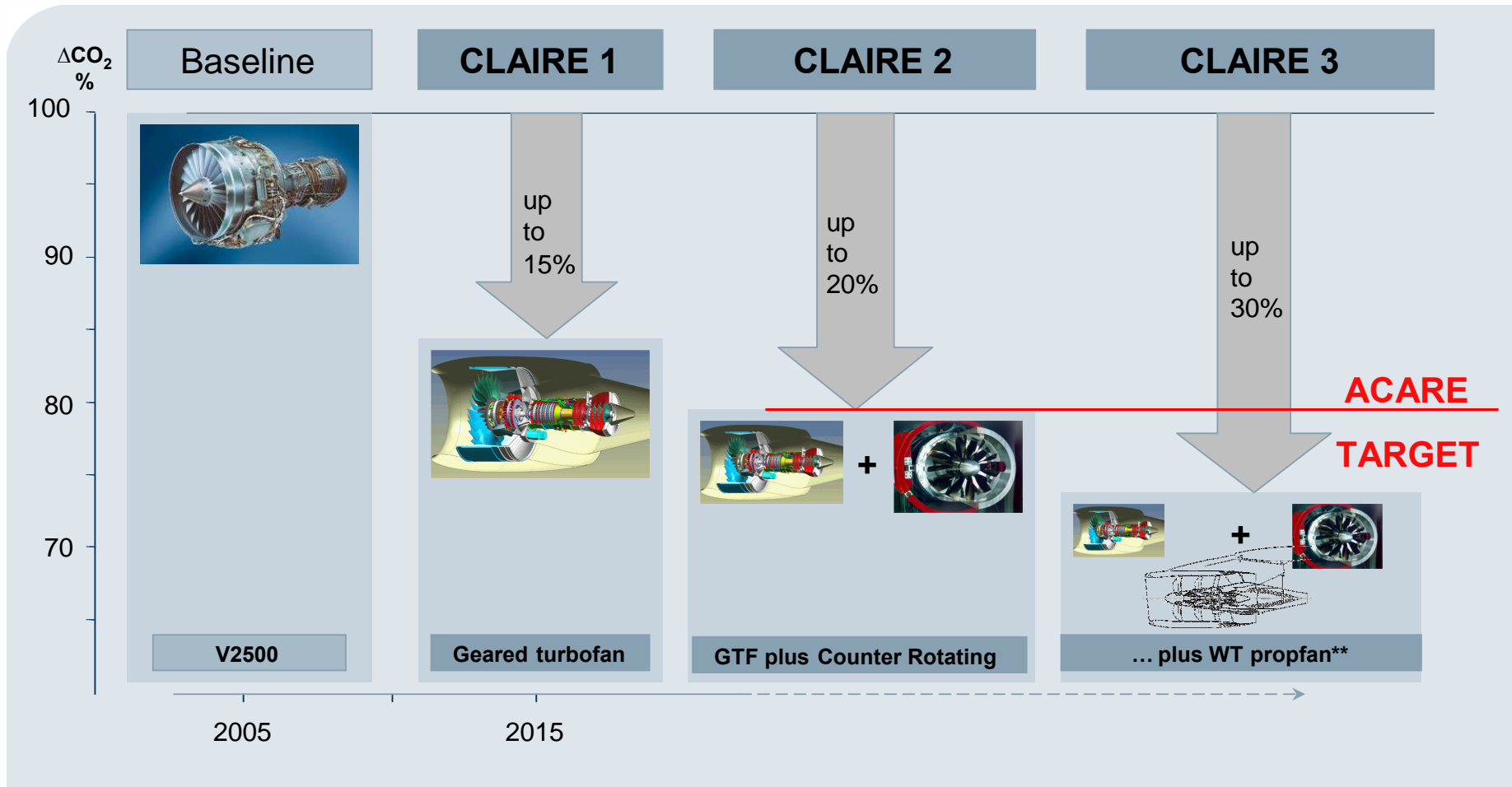
- A350 XWB**

X X X
- A320 family
Boeing 737**

NGSA
- Regional
Jets**

PWX10

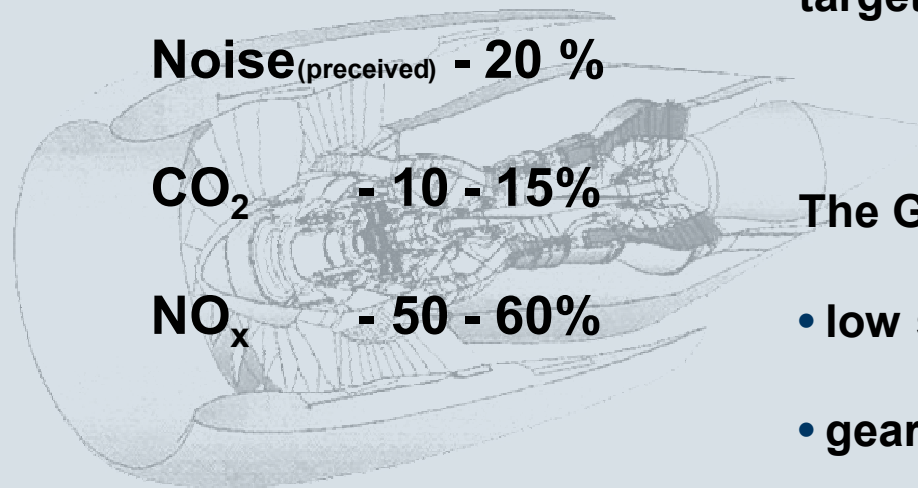
MTU is Looking Beyond the Next Generation: CLAIRE – MTU’s **C**Lean **A**IR Engine Technology Program



** WT = heat exchanger

CLAIRE 1: Geared Turbofan will Achieve the Targets by 2015

Emission requirements



Flight safety

Reliability

MTU Solution for NGSA

The concept to ensure achievement of the targets is

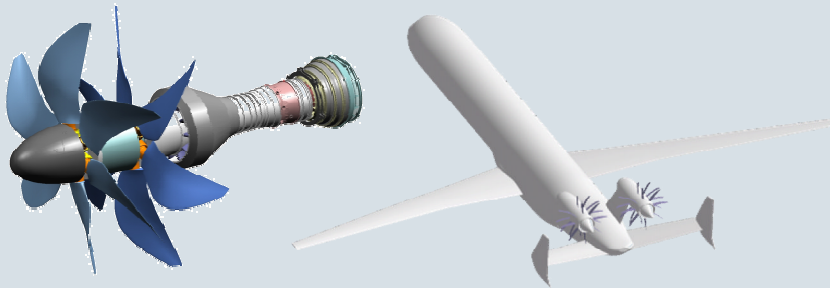
the geared turbofan.

The GTF is characterized by:

- low speed fan
- gearbox for decoupling fan and turbine
- high-speed low-pressure turbine
- high-efficient core engine

There Are Other Concepts, But the GTF Offers Overall the Greatest Benefits

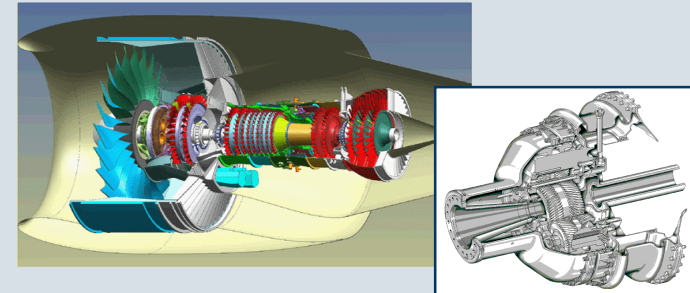
Open rotor



Fuel burn slightly lower

- Higher weight**
- Requires adapted aircraft concept**
- Noise remains at today's level**
- Limited flight speed**

Geared turbofan



Achieves ambitious fuel burn targets

- + Achieves CO2 and NOx targets**
- + Outperforms future noise requirements**
- Current airframe configuration**
- +**

Vision of Future Engine and Aircraft Concepts

Advanced Aircraft Concepts



- Numerous visions for future concepts
- Focused on engine/airframe integration
- Emphasis remains on fuel burn and emission reduction
- Technology-Readiness within 30-40 years

Summary:

- **Customers and society expect significant contributions to emission and noise reduction.**
- **MTU's outstanding track record of engine improvement will be continued.**
- **R&D efforts have been increased and are focused on the reduction of fuel consumption, CO₂-emissions and noise.**
- **The geared turbofan as the leading engine concept for the NGSA is a technical leap.**

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. Actual results, performance or events may differ materially from those in such statements due to, without limitation, competition from other companies in MTU Aero Engines' industry and MTU Aero Engines' ability to retain or increase its market share, the cyclicity of the airline industry, risks related to MTU Aero Engines' participation in consortia and risk and revenue sharing agreements for new aero engine programs, risks associated with the capital markets, currency exchange rate fluctuations, regulations affecting MTU Aero Engines' business and MTU Aero Engines' ability to respond to changes in the regulatory environment, and other factors. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

MTU Aero Engines assumes no obligation to update any forward-looking statement.