

First Quarter Results 2008 – MTU Aero Engines

Conference Call with Investors and Analysts
April 24th, 2008

Contents

1. Operational & Financial Highlights

2. Divisional Performance

3. Group Key Figures

Appendix

Key Business Issues since March 13

Commercial Business

- Market fundamentals return to long-term average
 - IATA global passenger traffic grew by 5% y/y in Feb 08
 - High order backlogs and strong Asian demand ensure good visibility
- GTF engine enters phase 2 ground testing
- MTU in final negotiation about work content in GTF/PW810 engines
- Orders for 218 V2500 engines received in April

Military Business

- TP400 successfully completed additional ground testing milestones
- Flying testbed on Hercules C-130 scheduled for June 08

Commercial MRO

- Key Performance Indicators show improving operational performance
- Full recovery from ERP implementation issues expected in 2 HY 08

US\$/Cost Savings

- All options to offset for \$-weakness mid-term currently under evaluation
- Further cost cutting aims at reducing product costs

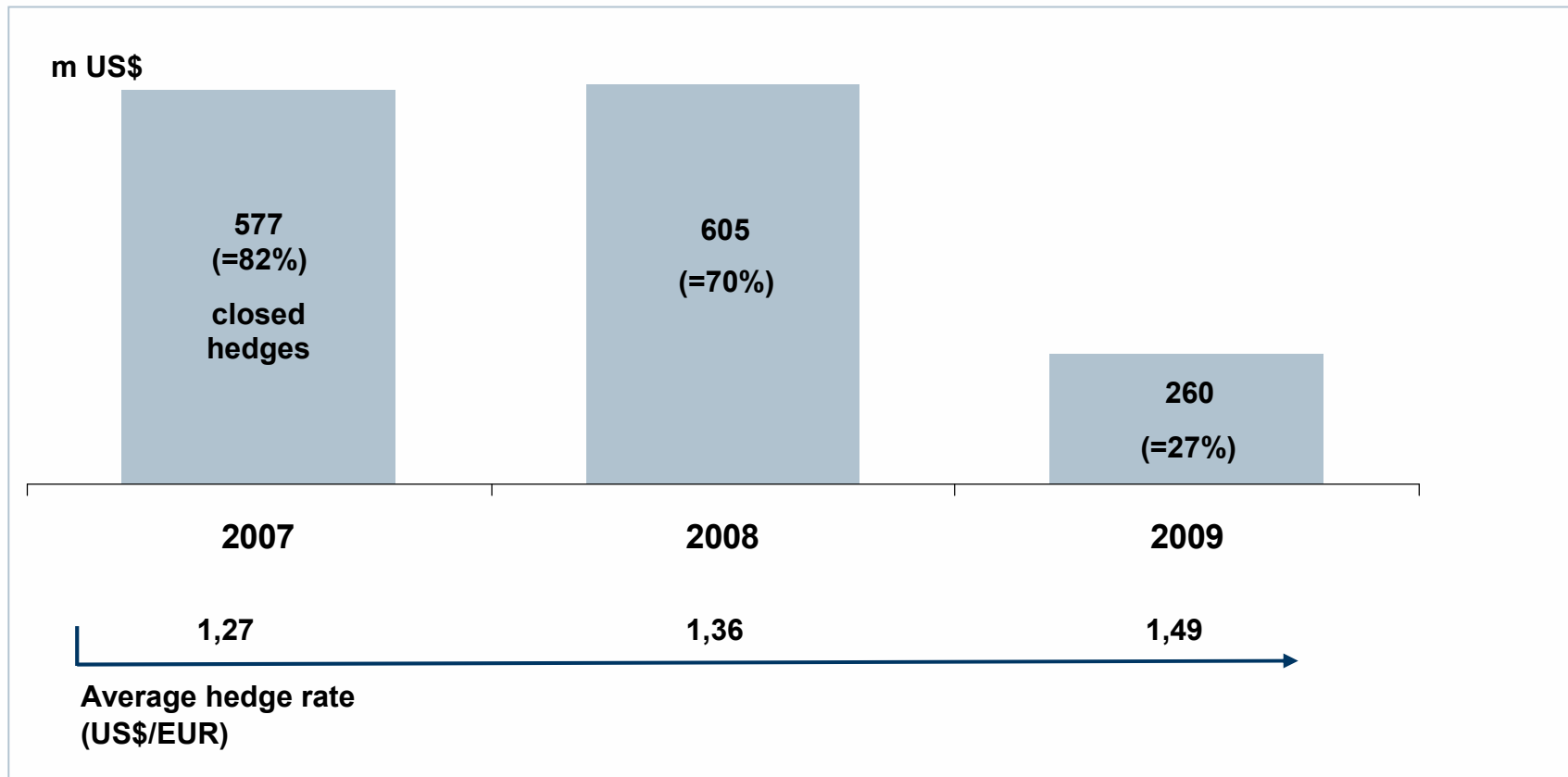
Q1 2008 Financial Highlights

- | | |
|-----------------------------------|--|
| Order Backlog | <ul style="list-style-type: none">• Group Order Backlog decreased by 6% to 3,113.3m€• Adjusted for US\$ effects decrease by 3% |
| Revenues | <ul style="list-style-type: none">• Group Revenues decreased by 2% to 630.0 m€• US\$ underlying growth +10% |
| EBITDA | <ul style="list-style-type: none">• Group EBITDA*) increased by 9% to 98.3m€ reaching 15.6% margin |
| Cash Flow | <ul style="list-style-type: none">• Free Cash Flow at 43.4m€ |
| Net Income/
EPS | <ul style="list-style-type: none">• Net Income increased by 146% to 44.2 m€ (EPS 0.88 €) |
| Share buy
back program | <ul style="list-style-type: none">• 3 mn shares cancelled, outstanding capital stock now at 52 mn• Approval for further 10% buy back to be applied at AGM on April 30 |

*) EBITDA adjusted = reported in Q1 08

US\$ Exchange rate / Hedge portfolio

Hedge book as of April 24, 2008 (% of net exposure)



Contents

1. Operational & Financial Highlights

2. Divisional Performance

3. Group Key Figures

Appendix

OEM Segment

	31.03.2008	31.12.2007	Change
Order backlog in m€	3,022.3	3,216.8	-6.0%
Commercial Business in m\$	2,349.5	2,388.5	-1.6%
Military Business in m€	1,536.4	1,594.3	-3.6%

in m€	Q1 2008	Q1 2007	Change
Revenues	379.4	383.8	-1.1%
Commercial Business	265.3	273.1	-2.9%
Military Business	114.1	110.7	3.1%
Gross profit	88.6	67.9	30.5%
<i>Gross profit margin</i>	<i>23.4%</i>	<i>17.7%</i>	
R&D self-financed	13.0	15.7	-17.2%
EBITDA*)	85.6	59.0	45.1%
<i>EBITDA margin</i>	<i>22.6%</i>	<i>15.4%</i>	

Revenues

- Underlying growth in Commercial OEM Business 11 % - adjusted for US\$ exchange rate effects

*) EBITDA adjusted = reported in Q1 08 (no capitalisation)

MRO Segment

in m US\$	31.03.2008	01.01.2008	Change
Contract Volume MRO (in mUS\$)	7,115.3	7,426.6	-4.2 %
Order backlog (in mUS\$)	144.5	139,4	3.7%

in m€	Q1 2008	Q1 2007	Change
Revenues	258,3	262.3	-1.5%
Gross profit	21.6	33.9	-36.3%
<i>Gross profit margin</i>	<i>8.4%</i>	<i>12.9%</i>	
R&D self-financed	1.5	1.3	15.4%
EBITDA	14.2	30.5	-53.4%
<i>EBITDA margin</i>	<i>5.5%</i>	<i>11.6%</i>	

Revenues

- Underlying revenue growth 12.5%
- adjusted for US\$ effects

Contents

1. Operational & Financial Highlights

2. Divisional Performance

3. Group Key Figures

Appendix

Financial Result

in m€	Q1 2008	Q1 2007	Change
Profit/loss from at equity accounted companies	0.5	-0.7	
Interest Result	-3.6	-22.7	84.1%
Interest income	1.3	1.8	
Interest payments	-4.9	-24.5 *)	
Other Financial Result	1.4	-3.5	140.0%
Gains/losses out of US\$ cash/financing/ capital lease valuations	-1.9	-0.6	
Non cash valuations (swaps)	9.3	1.6	
Interests for pension provisions	-5.2	-4.8	
Others	-0.8	0.3	
Total Financial Result	-1.7	-26.9	93.7%

*) Q1 2007: Interest payments include 19.1 m€ redemption fee for High Yield Bond

Net Income and EPS

in m€	Q1 2008	Q1 2007	Change
EBITDA reported	98.3	90.6	8.5%
Depreciation	-30.6	-33.9	
EBIT reported	67.7	56.7	19.4%
Financial Result	-1.7	-26.9 *)	
EBT	66.0	29.8	121.5%
Income taxes	-21.8	-11.8	
Net Income reported	44.2	18.0	145.6%
EPS in €	0.88	0.34	158.8%
Avg. weighted number of outstanding shares	50.1 mn	53.3 mn	

*) includes HYB redemption fee of 19.1 m€

Cash Flow

in m€	Q1 2008	Q1 2007	Change
Cash Flow from operating activities	62.1	62.1	0%
Cash Flow from investing activities	-18.7	-17.8	5.1%
Free Cash Flow	43.4	44.3	-2.0%
Cash Flow from financing activities	-67.1	-57.5	16.7%
Effect of exchange rate on cash and cash equivalents	0.6	0.2	
Change in cash and cash equivalents	-23.1	-13.0	
Liquidity 31.03.	44.2	89.2	

2008 Forecast – as communicated on March 13, 2008

in m€	FY2007	Guidance 2008	change
Revenues	2,575.9	~ 2,600	stable
EBITDA adj.	392.9	~ 390	stable
EBITDA adj. margin	15.3%	~ 15%	stable
Free Cash Flow	131.7	~100	- 24%
Net Income reported	154.1	~ 180	+17%

Contents

1. Operational & Financial Highlights
2. Divisional Performance
3. Group Key Figures

Appendix

Profit & Loss

In m€	Q1 2008	Q1 2007	change	FY2007	FY2006	change
Revenues	630.0	640.6	-1.7%	2,575.9	2,416.2	6.6%
Total cost of sales	-519.8	-539.0	3.6%	-2,129.5	-2,063.5	3.2%
Gross profit	110.2	101.6	8.5%	446.4	352.7	26.6%
<i>Gross profit margin</i>	<i>17.5%</i>	<i>15.9%</i>		<i>17.3%</i>	<i>14.6%</i>	
R & D company funded	-13.9	-17.0		-84.5	-64.5	
SG&A	-29.3	-28.2		-120.8	-116.6	
Other operating income (expense)	0.7	0.3		2.2	12.2	
EBIT reported	67.7	56.7	19.4%	243.3	183.8	32.4%
EBITDA reported	98.3	90.6	8.5%	392.9	335.6	17.1%
EBITDA adjusted	98.3	90.6	8.5%	392.9	318.2	23.5%
Financial result	-1.7	-26.9		-63.9	-33.3	
Profit before Tax (EBT)	66.0	29.8	121.5%	179.4	150.5	19.2%
Taxes	-21.8	-11.8		-25.3	-61.4	
IFRS net income	44.2	18.0	145.6%	154.1	89.1	73.0%

Revenues / Cost of Sales

in m€	Q1 2008	Q1 2007	change	FY2007	FY2006	change
Revenues	630,0	640,6	-1.7%	2,575.9	2,416.2	6.6%
OEM Commercial	265.3	273.1	-2.9%	1,102.0	993.5	10.9%
OEM Military	114.1	110.7	3.1%	497.5	489.6	1.6%
MRO	258.3	262.3	-1.5%	1004.7	954.7	5.2%
Consolidation	-7.7	-5.5		-28.3	-21.6	
Cost of Sales	-519.8	-539.0	-3.6%	-2,129.5	-2,063.5	3.2%
OEM (commercial / military)	-290.8	-315.9	-7.9%	-1,244.1	-1,245.0	-0.1%
MRO	-236.7	-228.4	3.6%	-915.6	-839.1	9.1%
Consolidation	7.7	5.3		30.2	20.6	

Gross Profit / EBIT reported

in m€	Q1 2008	Q1 2007	change	FY2007	FY2006	change
Gross Profit	110.2	101.6	8.5%	446.4	352.7	26.6%
OEM (commercial / military)	88.6	67.9	30.5%	355.4	238.1	49.3%
MRO	21.6	33.9	-36.3%	89.1	115.6	-22.9%
Consolidation	0	-0.2		1.9	-1.0	
EBIT reported	67.7	56.7	19.4%	243.3	183.8	32.4%
OEM (commercial / military)	61.8	33.5	84.5%	204.1	119.0	71.5%
MRO	7.4	22.1	-66.5%	39.9	67.7	-41.1%
Consolidation	-1.5	1.1		-0.7	-2.9	

Research & Development

in m€	Q1 2008	Q1 2007	Change	FY2007	FY2006	Change
Company expensed R&D	14.5	17.0	-14.7%	88.8	80.6	10.2%
OEM	13.0	15.7		82.0	74.1	
MRO	1.5	1.3		6.8	6.5	
Capitalisation of R&D	-0.6	0.0		-4.3	-16.1*)	
R&D according to IFRS	13.9	17.0	-18.2%	84.5	64.5	31.0%
Customer funded R&D	23.2	22.5		87.6	89.3	-1.9%
Total R&D	37.7	39.5		176.4	169.9	3.8%

*) in 2006: consumption of R&D provision

EBITDA reported / adjusted

in m€	Q1 2008	Q1 2007	Change	FY2007	FY2006	Change
EBITDA reported	98.3	90.6	8.5%	392.9	335.6	17.1%
OEM (commercial / military)	85.6	59.0	45.1%	305.7	235.1	30.0%
MRO	14.2	30.5	-53.4%	87.9	103.4	-15.0%
Consolidation	-1.5	1.1		-0.7	-2.9	
EBITDA adjusted	98.3	90.6	8.5%	392.9	318.2	23.5%
OEM (commercial / military)	85.6	59.0	45.1%	305.7	217.7	40.4%
MRO	14.2	30.5	-53.4%	87.9	103.4	-15.0%
Consolidation	-1.5	1.1		-0.7	-2.9	
EBITDA adjusted margin	15.6%	14.1%		15.3%	13.2%	
OEM (commercial / military) margin	22.6%	15.4%		19.1%	14.7%	
MRO margin	5.5%	11.6%		8.7%	10.8%	

EBITDA Adjustments- Group Level

in m€	Q1 2008	Q1 2007	Change	FY2007	FY2006	Change
EBIT reported	67.7	56.7	19.4%	243.3	183.8	32.4%
Depreciation and amortization	30.6	33.9		149.6	151.8	
EBITDA reported	98.3	90.6	8.5%	392.9	335.6	17.1%
Restructuring costs					20.0	
R&D provision consumption					-16.1	
Property sale					-10.5	
Program value provision release					-10.8	
Total adjustments	0.0	0.0			-17.4	
EBITDA adjusted	98.3	90.6	8.5%	392.9	318.2	23.5%

EBITDA Adjustments – Segmental Level (in m€)

OEM Segment	Q1 2008	Q1 2007	change	FY2007	FY2006	change
EBITDA reported OEM	85.6	59.0	45.1%	305.7	235.1	30.0%
Restructuring costs					20.0	
R&D cost, not expensed under IFRS					-16.1	
Property Sale					-10.5	
Program value provision release					-10.8	
EBITDA adjusted OEM	85.6	59.0	45.1%	305.7	217.7	40.4%

MRO Segment	Q1 2008	Q1 2007	change	FY2007	FY2006	change
EBITDA reported MRO	14.2	30.5	-53.4%	87.9	103.4	-15.0%
EBITDA adjusted MRO	14.2	30.5	-53.4%	87.9	103.4	-15.0%

Financial Result

in m€	Q1 2008	Q1 2007	Change	FY2007	FY2006	Change
Profit / Loss from at equity accounted companies	0.5	-0.7		-2.3	0.0	
Interest Result	-3.6	-22.7	84.1%	-31.4	-19.9	-57.8%
Interest Income	1.3	1.8		7.4	27.4	
Interest Payments	-4.9	-24.5 *)		-38.8	-47.3	
Other Financial Result	1.4	-3.5	140%	-30.2	-13.4	-125.4%
Income non-consolidated subsidiaries companies / Income from associated companies / Loss from shares in affiliated companies				1.3	0.9	
Gains/losses out of US\$ cash/financing/capital lease valuation	-1.9	-0.6		-11.1	-2.0	
Non cash valuations (swaps)	9.3	1.6		-1.5	7.1	
Interests for pension provisions	-5.2	-4.8		-18.4	-18.2	
Others	-0.8	0.3		-0.5	-1.2	
Total Financial Result	-1.7	-26.9	93.7%	-63.9	-33.3	-91.9%

*) Interest payments include 19.1m€ redemption fee for the High Yield Bond

Cash Flow

in m€	Q1 2008	Q1 2007	Change	FY2007	FY2006	Change
Net income IFRS	44.2	18.0	145.6%	154.1	89.1	73.0%
Depreciation and amortisation	30.6	33.9		149.6	151.8	
Change in Provisions *1)	-1.4	-27.1		-2.8	53.4	
Change in Working Capital	-10.1	14.2		-74.6	-57.8	
Taxes	11.4	25.1		7.0	-11.8	
Interest, derivatives, others	-12.6	-2.0		2.9	-14.9	
Cash Flow from operating activities	62.1	62.1	0%	236.2	209.8	12.6%
Cash Flow from investing activities	-18.7	-17.8	5.1%	-104.5	-94.1	-11.1%
Free Cash Flow	43.4	44.3	-2.0%	131.7	115.7	13.8%
Cash Flow from financing activities	-67.1	-57.5	-16.7%	-165.8	-37.7	-339.8%
Effect of exchange rate on cash and cash equivalents	0.6	0.2		-0.8	2.2	
Change in cash and cash equivalents	-23.1	-13.0		-34.9	80.2	

*1) includes pension provisions and other provisions

Working Capital

in m€	31.03.2008	31.12.2007	Change	Change in %
Gross inventories	648.2	587.8	-60.4	
Prepayments	-503.4	-439.7	63.7	
Receivables	707.4	705.5	-1.9	
Payables	-562.1	-573.6	-11.5	
Working Capital	290.1	280.0	-10.1	-3.6%

PPA depreciation/amortisation (in m€)

Total depreciation / amortisation	Q1 2008	Q1 2007	FY2007	FY2006
MTU total	30.6	33.9	149.6	151,8
OEM	23.8	25.5	101.6	116.1
MRO	6.8	8.4	48.0	35.7

PPA depreciation / amortisation	Q1 2008	Q1 2007	FY2007	FY2006
MTU total	12.3	14.1	54.6	67.4
OEM	11.1	12.2	46.9	59.2
MRO	1.2	1.9	7.7	8.2

Depreciation / amortisation w/o PPA	Q1 2008	Q1 2007	FY2007	FY2006
MTU total	18.3	19.8	95.0	84.4
OEM	12.7	13.3	54.7	56.9
MRO	5.6	6.5	40.3	27.5

Difference between Reported and Underlying Net Income

	Q1 2008		Q1 2007	
	Underlying Net income	Reported Net income	Underlying Net income	Reported Net income
EBITDA adj.	98.3	98.3	90.6	90.6
Adjustments	0	0	0	0
EBITDA reported	98.3	98.3	90.6	90.6
<i>Depr. regular</i>	-18.3	-18.3	-19.8	-19.8
<i>Dr. PPA</i>		-12.3		-14.1
EBIT	80.0	67.7	70.8	56.7
<i>Financial Result</i>	-1.7	-1.7	-26.9	-26.9
EBT	78.3	66.0	43.9	29.8
<i>TAX (in 08: 32.6% / in 07:40,4%)</i>	-25.5	-21.8	-17.8	-11.8
Net Income	52.8	44.2	26.1	18.0
EPS	1.05	0.88	0.49	0.34

Cautionary Note Regarding Forward-Looking Statements

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Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) competition from other companies in MTU's industry and MTU's ability to retain or increase its market share, (ii) MTU's reliance on certain customers for its sales, (iii) risks related to MTU's participation in consortia and risk and revenue sharing agreements for new aero engine programs, (iv) the impact of non-compete provisions included in certain of MTU's contracts, (v) the impact of a decline in German or other European defense budgets or changes in funding priorities for military aircraft, (vi) risks associated with government funding, (vii) the impact of significant disruptions in MTU's supply from key vendors, (viii) the continued success of MTU's research and development initiatives, (ix) currency exchange rate fluctuations, (x) changes in tax legislation, (xi) the impact of any product liability claims, (xii) MTU's ability to comply with regulations affecting its business and its ability to respond to changes in the regulatory environment, (xiii) the cyclicity of the airline industry and the current financial difficulties of commercial airlines, (xiv) risks associated with the significant ownership of our equity by affiliates of Kohlberg Kravis Roberts & Co., (xv) our substantial leverage and (xvi) general local and global economic conditions. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

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