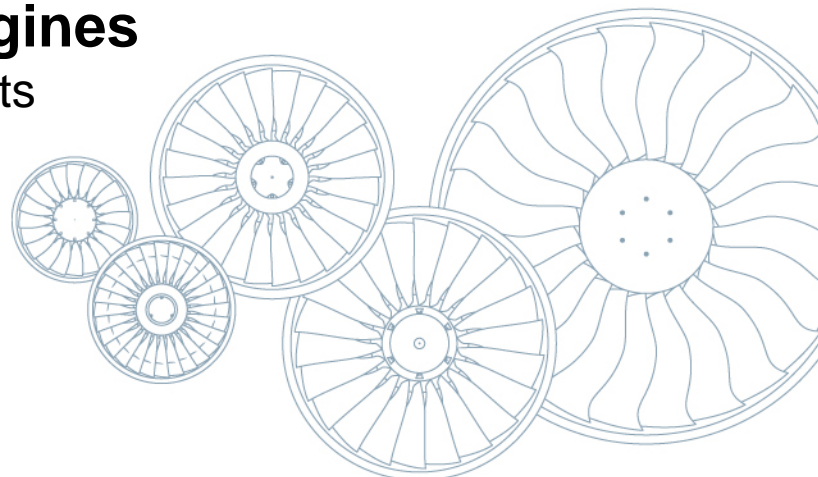




## Q1 2011 Results – MTU Aero Engines

Conference Call with Investors and Analysts

May 3, 2011



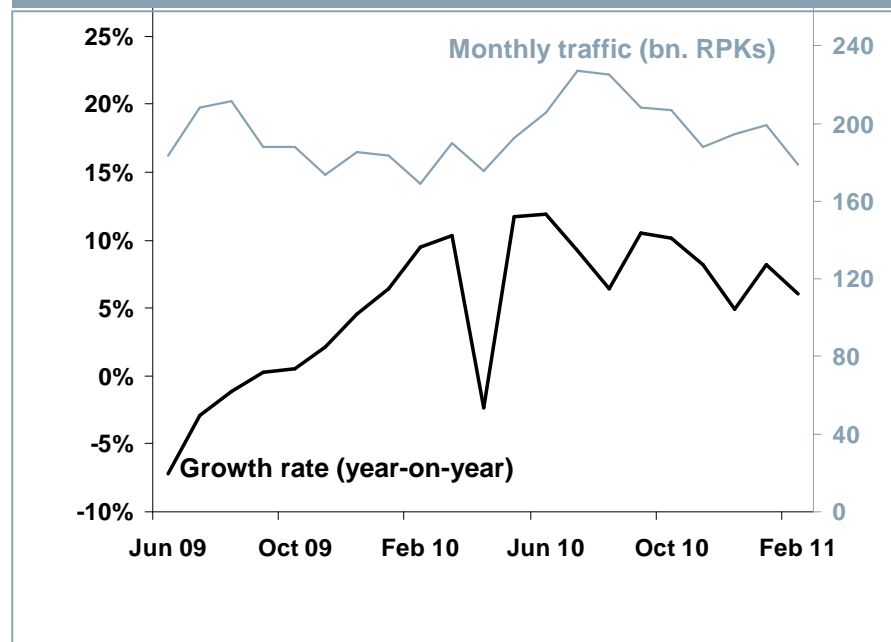
## Agenda

- **Business Highlights**
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## Business Highlights

- Guidance 2011 confirmed
- Key issues – encouraging spares trend continues, GTF engine wins all A320neo campaigns ytd.

### Global International Passenger Traffic



## Market Environment

- In spite of damping effect from political unrest in the Middle East/North Africa and the events in Japan, the recovery of worldwide air traffic continues
- The latest figures (Feb. 11) show 6% growth for worldwide passenger traffic yoy
- IATA has revised its 2011 forecast for passenger traffic from 5.2% to 5.6% driven by strong growth of global economy
- At the same time high oil price cuts airline profits

## Commercial OEM Business

- Ongoing strong market success for the Geared Turbofan engine with order wins of ~€ 700 m in Q1 2011:
  - PW1100G engine selected by the first three A320neo airlines (ILFC, Indigo, Lufthansa)
  - PW1000G engine selected by Trans State Airlines to power the Mitsubishi Regional Jet
- Negotiations with Pratt & Whitney about MTU program details to be finalized by Paris Air Show
- V2500 continues as best-seller: IAE collaboration extended until 2045
  - Currently ~6,500 engines in service or ordered
- Strong spare parts trend continues – Q1 2011 spares grew above expectations



## Commercial MRO Business

- Q1 2011 revenues still lagging behind spare parts
- Strong order intake of ~€ 400 m in Q1 2011
- Current trading encouraging



## Military Business

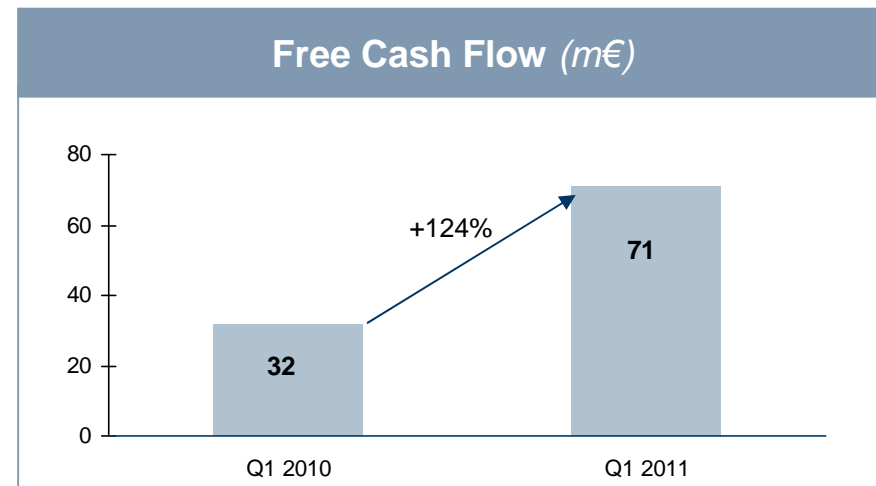
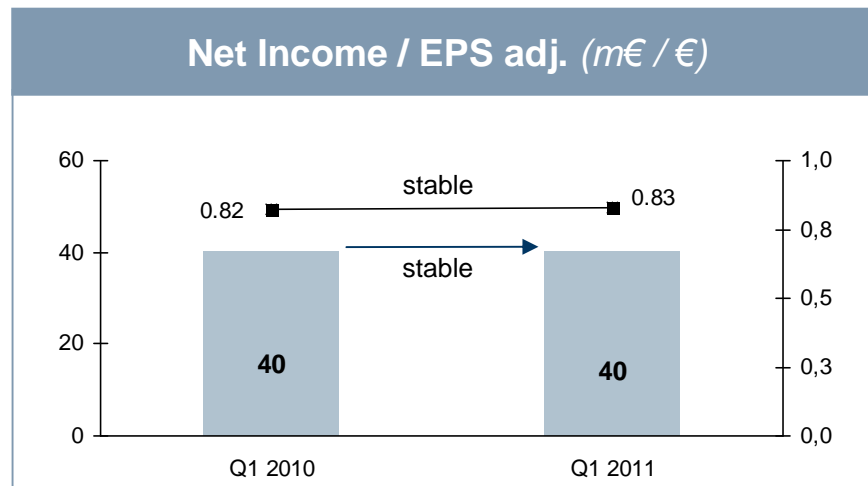
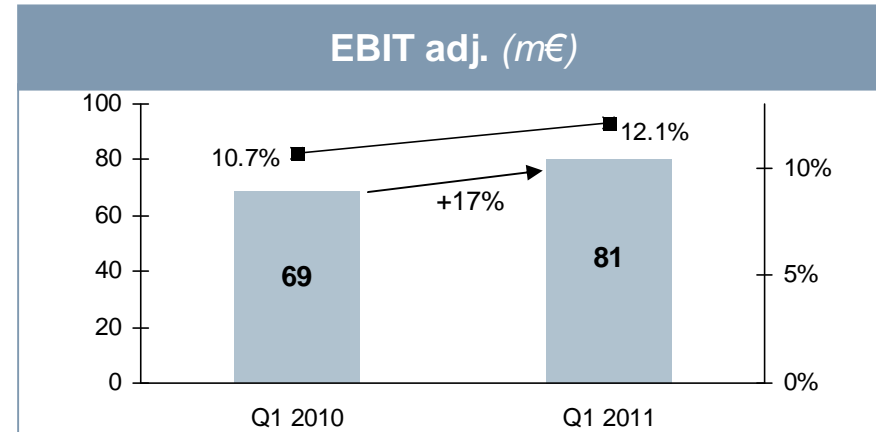
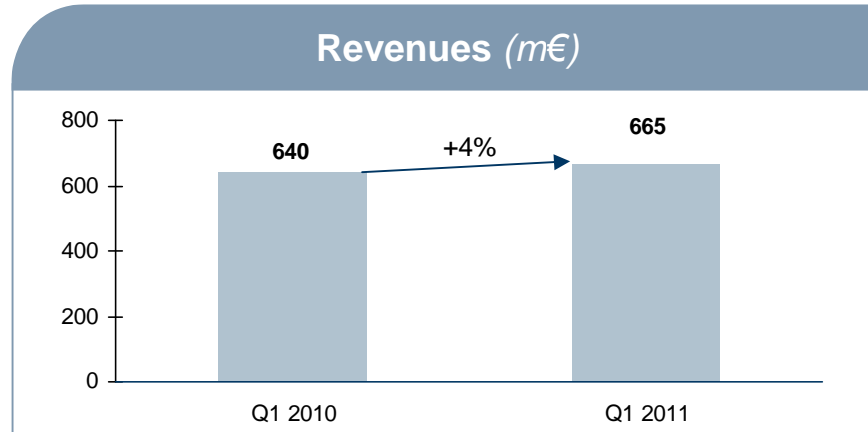
- TP400-D6 engine to reach series production certification shortly
- Q1 2011 revenues affected by defense budget cuts, as expected



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## Financial Highlights Q1 2011



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## OEM Segment

| Order book (m€)             | 31/12/2010     | 31/03/2011     | Change     |
|-----------------------------|----------------|----------------|------------|
| <b>Order book</b>           | <b>4,331.5</b> | <b>4,152.3</b> | <b>-4%</b> |
| Commercial business (mUS\$) | 4,200.5        | 4,313.2        | 3%         |
| Military business           | 1,187.9        | 1,116.3        | -6%        |

| (m€)                | Q1 2010      | Q1 2011      | Change    |
|---------------------|--------------|--------------|-----------|
| <b>Revenues</b>     | <b>401.4</b> | <b>421.0</b> | <b>5%</b> |
| Commercial business | 265.3        | 309.6        | 17%       |
| Military business   | 136.1        | 111.4        | -18%      |

- Commercial order book increased by 3% driven by GEnx and V2500 orders; A320neo engines not yet included
- Underlying US\$ sales in Commercial business grew by 15%; within that series sales increased in high teens and spare parts sales in low teens
- Military revenues affected by budget cuts, as expected



## OEM Segment

| (m€)                          | Q1 2010     | Q1 2011     | Change     |
|-------------------------------|-------------|-------------|------------|
| Revenues                      | 401.4       | 421.0       | 5%         |
| <b>Gross profit</b>           | <b>86.6</b> | <b>99.1</b> | <b>14%</b> |
| <i>Gross profit margin</i>    | 21.6%       | 23.5%       |            |
| <b>R&amp;D company-funded</b> | <b>30.5</b> | <b>38.6</b> |            |
| <i>R&amp;D capitalization</i> | -3.1        | -5.3        |            |
| <b>EBIT adj.</b>              | <b>52.8</b> | <b>60.5</b> | <b>15%</b> |
| <i>EBIT adj. margin</i>       | 13.2%       | 14.4%       |            |

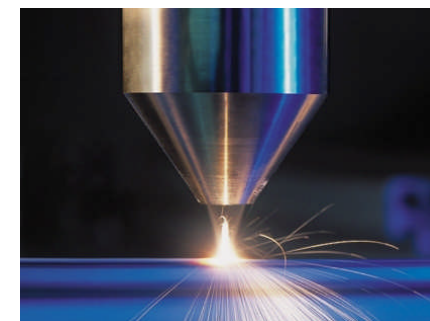
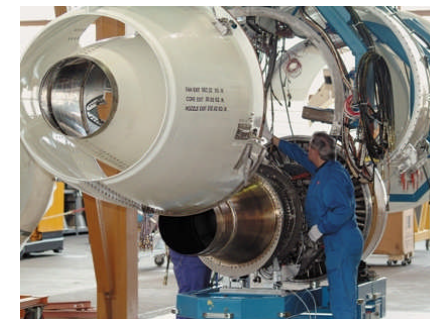
- Gross profit improved mainly due to mix effects and cost savings
- R&D increase driven by GTF-engine programs
- EBIT margin increased to 14.4%



## Commercial MRO Business

| (mUS\$)                    | 31/12/2010   | 31/03/2011   | Change     |
|----------------------------|--------------|--------------|------------|
| Contract volume            | 6,934.7      | 7,165.4      | 3%         |
| Order book                 | 237.4        | 244.8        | 3%         |
| (m€)                       | Q1 2010      | Q1 2011      | Change     |
| <b>Revenues</b>            | <b>245.0</b> | <b>251.6</b> | <b>3%</b>  |
| <b>Gross profit</b>        | <b>27.2</b>  | <b>34.6</b>  | <b>27%</b> |
| <i>Gross profit margin</i> | 11.1%        | 13.8%        |            |
| <b>EBIT adj.</b>           | <b>14.2</b>  | <b>20.5</b>  | <b>44%</b> |
| <i>EBIT adj. margin</i>    | 5.8%         | 8.1%         |            |

- Strong order intake of ~€ 400 m in Q1 2011: contract volume up by 3%
- Underlying US\$ revenues stable
- EBIT improved significantly due to better program mix and cost optimization



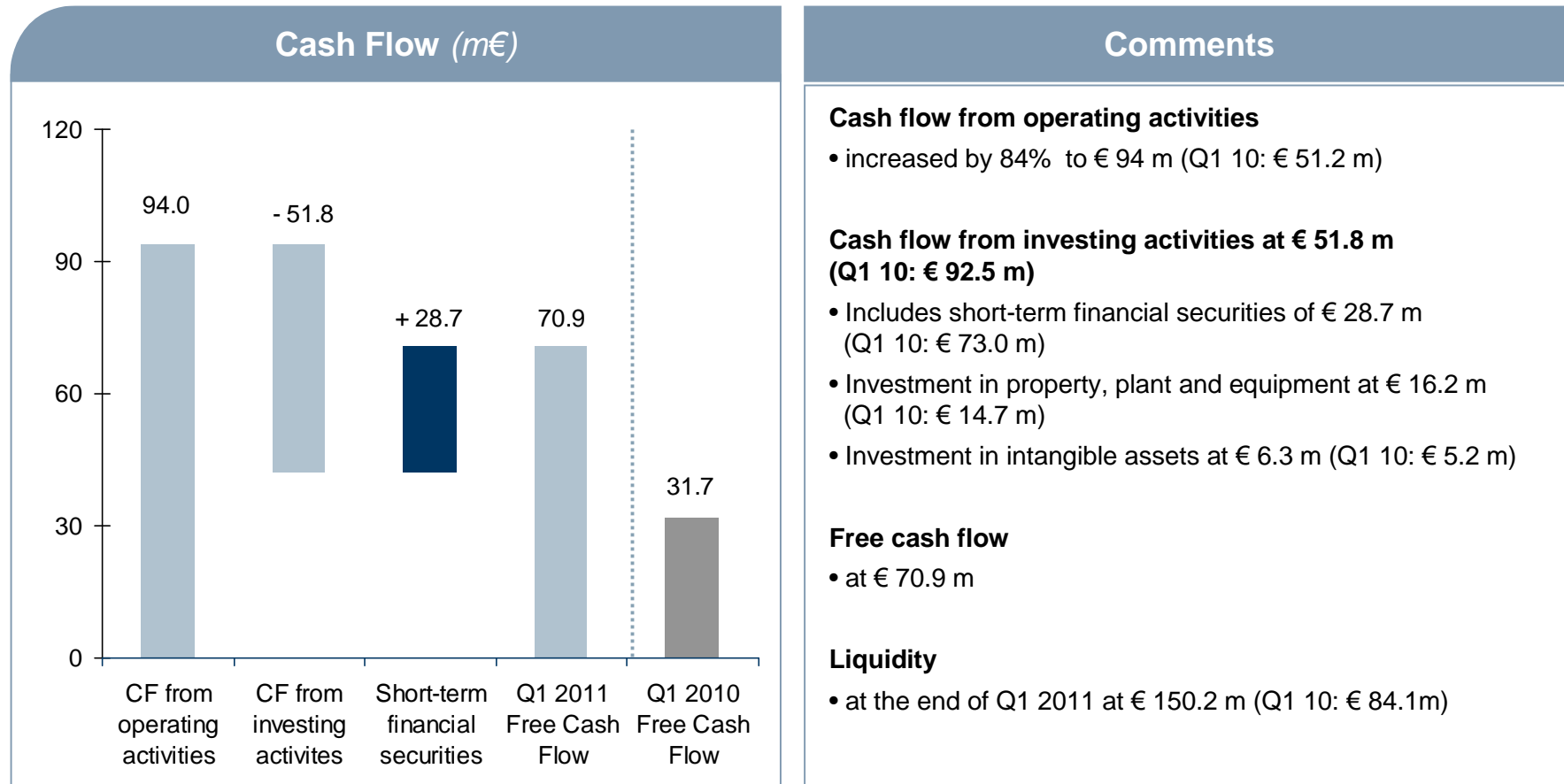
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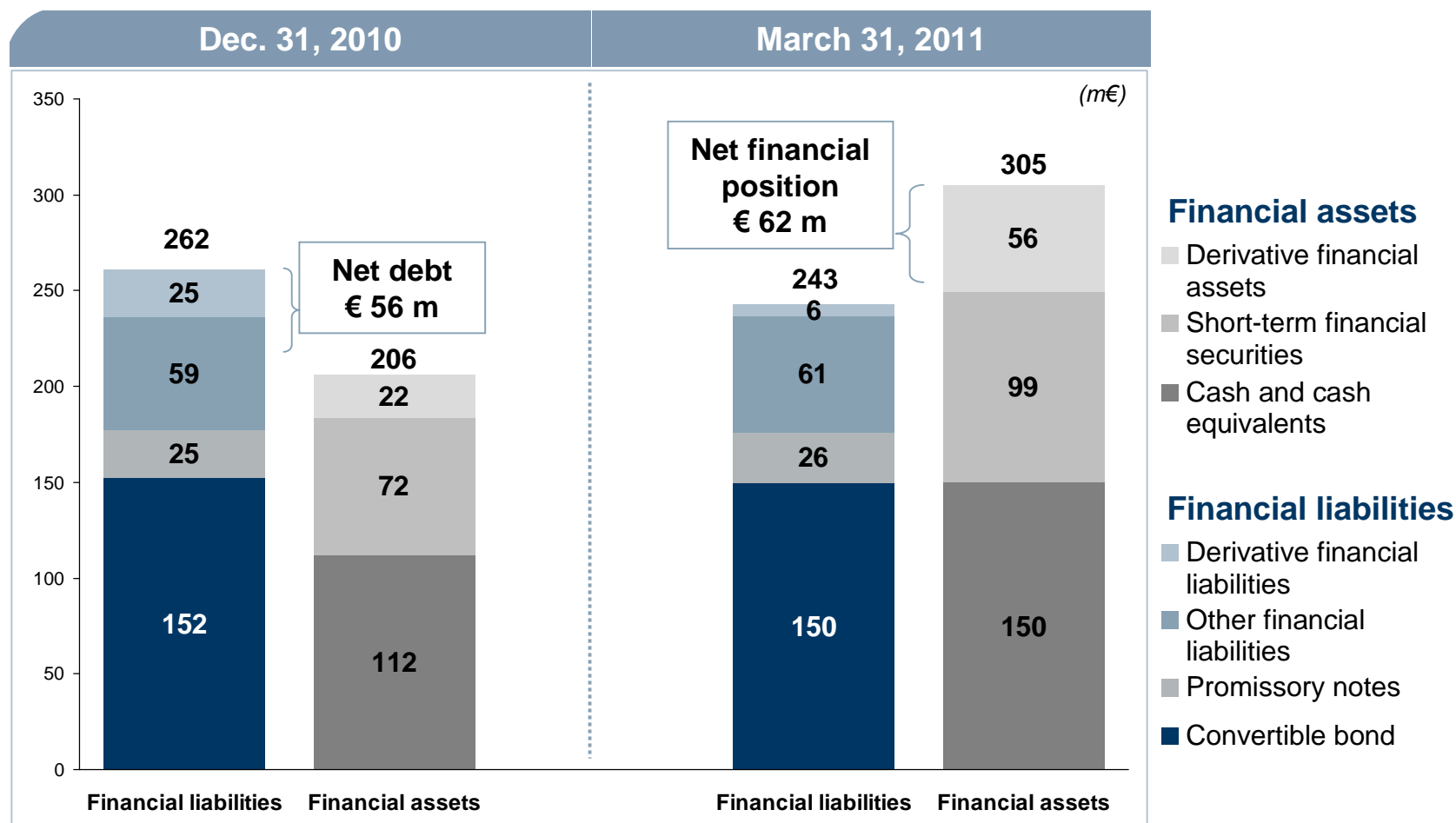
## P&L Highlights

| <i>(m€)</i>                                       | Q1 2010      | Q1 2011      | Change     |
|---|--------------|--------------|------------|
| <b>Revenues</b>                                   | <b>640.2</b> | <b>664.8</b> | <b>4%</b>  |
| <b>EBIT adj.</b>                                  | <b>68.8</b>  | <b>80.5</b>  | <b>17%</b> |
| <b>Financial result</b>                           | <b>-9.3</b>  | <b>-20.6</b> |            |
| Interest result                                   | -1.2         | -4.5         |            |
| Other financial result                            | -8.1         | -16.1        |            |
| • US\$ / non cash valuations / interests / others | -2.3         | -10.6        |            |
| • Interests for pension provisions                | -5.8         | -5.5         |            |
| <b>EBT adj.</b>                                   | <b>59.5</b>  | <b>59.9</b>  | <b>1%</b>  |
| Tax   | -19.4        | -19.5        |            |
| <i>Tax rate</i>                                   | 32.6%        | 32.6%        |            |
| <b>Net income adj.</b>                            | <b>40.1</b>  | <b>40.4</b>  | <b>1%</b>  |
| <b>EPS adj.</b>                                   | <b>0.82</b>  | <b>0.83</b>  | <b>1%</b>  |

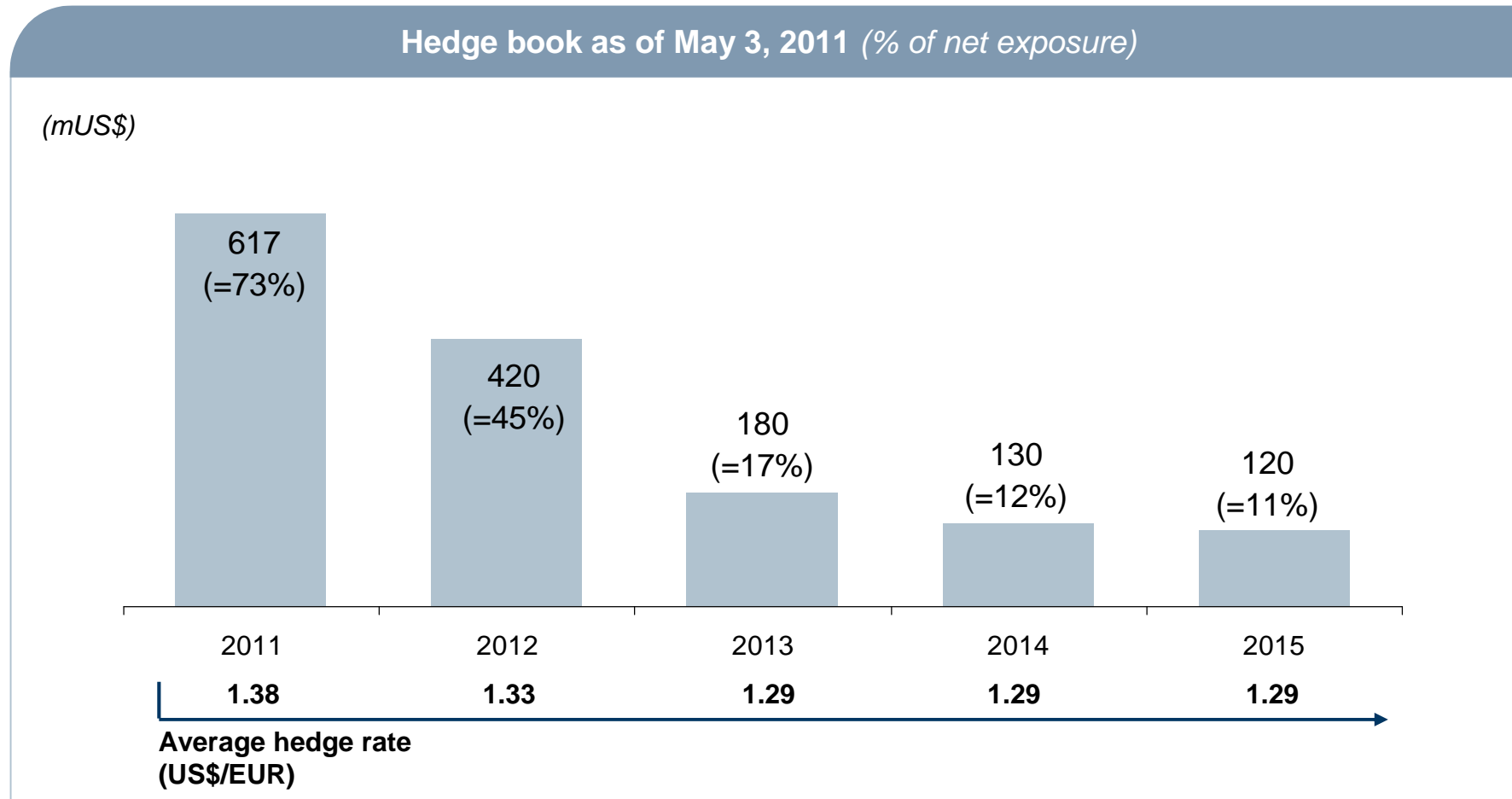
## Free Cash Flow



## Net Financial Position of € 62 m



## US\$ Exchange Rate / Hedge Portfolio





## Agenda

- Business Highlights
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## Guidance 2011 Confirmed

| (m€)                       | FY 2010      | Guidance 2011        |
|----------------------------|--------------|----------------------|
| <b>Revenues</b>            | <b>2,707</b> | <b>7-8% increase</b> |
| <b>EBIT adj.</b>           | <b>311</b>   | <b>stable</b>        |
| <b>EBIT adj. margin</b>    | <b>11.5%</b> |                      |
| <b>Net income adjusted</b> | <b>182</b>   | <b>stable</b>        |

## Agenda

- Business Highlights
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- Other Financials
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## Profit & Loss

| (m€)                             | Q1 2010      | Q1 2011      | Change     |
|----------------------------------|--------------|--------------|------------|
| <b>Revenues</b>                  | <b>640.2</b> | <b>664.8</b> | <b>4%</b>  |
| Total cost of sales              | -525.1       | -530.1       |            |
| <b>Gross profit</b>              | <b>115.1</b> | <b>134.7</b> | <b>17%</b> |
| <i>Gross profit margin</i>       | <i>18.0%</i> | <i>20.3%</i> |            |
| R&D company funded (acc. P&L)    | -27.8        | -34.2        |            |
| SG&A                             | -29.9        | -32.0        |            |
| Other operating income (expense) | 0.4          | 1.4          |            |
| <b>EBIT reported</b>             | <b>57.8</b>  | <b>69.9</b>  | <b>21%</b> |
| PPA depreciation & amortisation  | 11.0         | 10.6         |            |
| <b>EBIT adjusted</b>             | <b>68.8</b>  | <b>80.5</b>  | <b>17%</b> |
| Financial result                 | -9.3         | -20.6        |            |
| <b>Profit before tax (EBT)</b>   | <b>48.5</b>  | <b>49.3</b>  | <b>2%</b>  |
| Taxes                            | -15.9        | -15.8        |            |
| <b>Net income reported</b>       | <b>32.6</b>  | <b>33.5</b>  | <b>3%</b>  |
| <b>EPS reported</b>              | <b>0.67</b>  | <b>0.69</b>  | <b>3%</b>  |

## Research & Development

| (m€)                             | Q1 2010     | Q1 2011     | Change     |
|----------------------------------|-------------|-------------|------------|
| <b>Company expensed R&amp;D</b>  | <b>32.9</b> | <b>40.4</b> | <b>23%</b> |
| OEM                              | 30.5        | 38.6        |            |
| MRO                              | 2.4         | 1.8         |            |
| <b>Capitalisation of R&amp;D</b> | <b>-5.1</b> | <b>-6.2</b> |            |
| OEM                              | -3.1        | -5.3        |            |
| MRO                              | -2.0        | -0.9        |            |
| <b>R&amp;D according to IFRS</b> | <b>27.8</b> | <b>34.2</b> | <b>23%</b> |
| Customer funded R&D              | 18.9        | 24.1        |            |
| <b>Total R&amp;D</b>             | <b>51.8</b> | <b>64.5</b> | <b>25%</b> |

## Cash Flow

| (m€)   | Q1 2010      | Q1 2011      | Change      |
|--|--------------|--------------|-------------|
| <b>Net income IFRS</b>                               | <b>32.6</b>  | <b>33.5</b>  | <b>3%</b>   |
| Depreciation and amortization                        | 31.4         | 31.8         |             |
| Change in provisions*)                               | 18.9         | 55.0         |             |
| Change in Working Capital                            | -45.7        | -13.0        |             |
| Taxes  | 14.3         | -13.6        |             |
| Interest, derivatives, others                        | -0.3         | 0.3          |             |
| <b>Cash flow from operating activities</b>           | <b>51.2</b>  | <b>94.0</b>  | <b>84%</b>  |
| <b>Cash flow from investing activities</b>           | <b>-92.5</b> | <b>-51.8</b> | <b>44%</b>  |
| <i>Short term financial securities</i>               | 73.0         | 28.7         |             |
| <b>Free cash flow</b>                                | <b>31.7</b>  | <b>70.9</b>  | <b>124%</b> |
| <i>Short term financial securities</i>               | -73.0        | -28.7        |             |
| <b>Cash flow from financing activities</b>           | <b>1.9</b>   | <b>2.0</b>   |             |
| Effect of exchange rate on cash and cash equivalents | 2.7          | -5.9         |             |
| Change in cash and cash equivalents                  | -36.7        | 38.3         |             |

\*) includes pension provisions and other provisions

## Working Capital

| (m€)                   | 31/12/2010   | 31/03/2011   | Change       | Change in % |
|------------------------|--------------|--------------|--------------|-------------|
| Gross inventories      | 701.0        | 717.3        |              |             |
| Prepayments            | -666.3       | -645.9       |              |             |
| Receivables            | 707.9        | 619.4        |              |             |
| Payables               | -602.6       | -537.8       |              |             |
| <b>Working Capital</b> | <b>140.0</b> | <b>153.0</b> | <b>-13.0</b> | <b>-9%</b>  |

## PPA Depreciation / Amortisation

| Total depreciation / amortisation (m€) | Q1 2010     | Q1 2011     |
|--|-------------|-------------|
| <b>MTU total</b>                       | <b>31.4</b> | <b>31.8</b> |
| OEM                                    | 24.3        | 24.5        |
| MRO                                    | 7.1         | 7.3         |

| PPA depreciation / amortisation (m€) | Q1 2010     | Q1 2011     |
|--------------------------------------|-------------|-------------|
| <b>MTU total</b>                     | <b>11.0</b> | <b>10.6</b> |
| OEM                                  | 9.9         | 9.7         |
| MRO                                  | 1.1         | 0.9         |

| Depreciation / amortisation w/o PPA (m€) | Q1 2010     | Q1 2011     |
|--|-------------|-------------|
| <b>MTU total</b>                         | <b>20.4</b> | <b>21.2</b> |
| OEM                                      | 14.4        | 14.8        |
| MRO                                      | 6.0         | 6.4         |



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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. In addition to statements that are forward-looking by reason of context, the words "may," "will," "should," "expect," "plan," "intend," "anticipate," "forecast," "believe," "estimate," "predict," "potential," or "continue" and similar expressions identify forward-looking statements.

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