



Invitation to the Ordinary  
Shareholders' Meeting of  
MTU Aero Engines Holding AG



MTU Aero Engines Holding AG  
Dachauer Straße 665  
80995 Munich • Germany  
Tel. +49 89 1489-0  
Fax +49 89 1489-5500  
[www.mtu.de](http://www.mtu.de)

# Invitation

MTU Aero Engines Holding AG  
Munich  
Securities code no. WKN A0D 9PT  
ISIN DE000A0D9PT0

## Invitation to the Ordinary Shareholders' Meeting of MTU Aero Engines Holding AG

We hereby invite the shareholders of our company to the Ordinary Shareholders' Meeting, which will be held on

Friday, 27 April 2007, at 10:00 a.m.

in the M,O,C, Veranstaltungszentrum,  
Lilienthalallee 40,  
80939 München.

The doors open from 09:00 a.m.

# Agenda

## 1. Presentation of the annual financial statements and the management report for MTU Aero Engines Holding AG and the approved consolidated financial statements, as well as the group management report, and presentation of the Supervisory Board report for the fiscal year 2006

These documents can be inspected from the time of convocation of the Shareholders' Meeting onwards on the Internet at the address [www.mtu.de/hv](http://www.mtu.de/hv).

## 2. Resolution on the appropriation of balance sheet profits

Euro 0.82 per dividend-bearing share is to be distributed from the balance sheet profits of the fiscal year 2006. Disbursal of the dividend is to be effected on 30 April 2007. Own shares held by the company are not dividend-bearing. The number of dividend-bearing shares may change by the time the Shareholders' Meeting is held. In this event, an appropriately-adjusted proposal for the appropriation of the profits will be submitted to the Shareholders' Meeting.

The Management Board and the Supervisory Board propose to use the balance sheet profits of MTU Aero Engines Holding AG for the fiscal year 2006, amounting to Euro 43.8 million, as follows:

Appropriation of balance sheet profits		
1. Balance sheet profits	Euro	43.8 Mio.
2. Transfer to revenue reserves	Euro	–,-
3. Distribution of a dividend of Euro 0.82 per dividend-bearing share	Euro	43.8 Mio.
4. Profit carried forward	Euro	–,-

## 3. Resolution on the ratification of the acts of the members of the Management Board in the fiscal year 2006

The Management Board and the Supervisory Board propose the ratification of the acts of the members of the Management Board for the fiscal year 2006.

## 4. Resolution on the ratification of the acts of the members of the Supervisory Board in the fiscal year 2006

The Management Board and the Supervisory Board propose the ratification of the acts of the members of the Supervisory Board for the fiscal year 2006.

## 5. Election of a member of the Supervisory Board

Former Supervisory Board member Prof. Dr. Sigmar Wittig has resigned from his office as a member of the Supervisory Board of MTU Aero Engines Holding AG with effect from 31 March 2007. The Supervisory Board proposes to elect Mr. Klaus Eberhardt, Düsseldorf, Chief Executive Officer of Rheinmetall AG, to the Supervisory Board as a representative of the shareholders. This election is effected not for the remainder of the original period of office of Prof. Dr. Sigmar Wittig, but for the period until the closure of the Shareholders' Meeting which resolves on the ratification of the acts of the Supervisory Board for the fourth fiscal year after commencement of the period of office, the fiscal year in which the period of office commences being excluded from the calculation.

Mr. Klaus Eberhardt is a member of the following Supervisory Boards to be formed on the basis of a statutory obligation:

- Kolbenschmidt Pierburg AG (chair),
- MAN AG [until 10 May 2007],
- Rheinmetall Defence Electronics GmbH (chair),
- Rheinmetall Landsysteme GmbH (chair),
- Rheinmetall Waffe Munition GmbH (chair).

Mr. Klaus Eberhardt is furthermore a member of the following comparable supervisory bodies in German and non-German enterprises:

- Oerlikon Contraves AG (chair),
- Nitrochemie AG (President),
- Nitrochemie Wimmis AG (President),
- Eckart Wälzholz-Junius Familienstiftung,
- Dietrich Wälzholz Familienstiftung.

Pursuant to §§ 96 (1) and 101 (1) of the Stock Corporation Act in conjunction with § 7 (1) no. 1 of the Co-determination Act of 4 May 1976 and § 7 (1) of the company's Articles, the company's Supervisory Board is composed of twelve members, six of whom are to be from amongst the shareholders and six of whom are to be from amongst the employees. The Shareholders' Meeting is not bound by nominations when electing the shareholders' representatives.

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### 6. Election of the auditor for the fiscal year 2007

The Supervisory Board proposes the appointment of Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, as auditors for the fiscal year 2007.

### 7. Resolution on an amendment to § 3 of the Articles (notices)

The electronic transmission to the shareholders of documents relating to the Shareholders' Meeting is to be possible in future. The Transparency Directive Transposition Act (Transparenzrichtlinie-Umsetzungsgesetz) (Act Transposing Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (Gesetz zur Umsetzung der Richtlinie 2004/109/EG des Europäischen Parlaments und des Rates vom 15. Dezember 2004 zur Harmonisierung der Transparenzanforderungen in Bezug auf Informationen über Emittenten, deren Wertpapiere zum Handel auf einem geregelten Markt zugelassen sind, und zur Änderung der Richtlinie 2001/34/EG), published in the Federal Law Gazette (Bundesgesetzblatt) Part I No. 1 of 10 January 2007, pp. 10 et seq.) which has been adopted by the Federal Parliament, and which entered into force on 20 January 2007, requires as a precondition for the electronic transmission of documents relating to shareholders' meetings the consent of the Meeting

to this type of information transmission. Hence the possibility of transmitting information to shareholders by means of tele-transmission of data, if the necessary consent is given, is to be incorporated in the Articles.

The Management Board and the Supervisory Board therefore propose to make the following resolution:

The title of § 3 of the Articles shall be supplemented to include the words "and information", and shall hence read "§ 3 Notices and Information"

The previous sole paragraph of § 3 of the Articles shall become its first paragraph; to this end, it shall be preceded by the number "(1)".

The following second paragraph shall be added to § 3 of the Articles:

"(2) The company shall be authorized to transmit information to its shareholders by means of tele-transmission of data."

### 8. Resolution on authorization to acquire and use own shares pursuant to § 71 (1) no. 8 of the German Stock Corporation Act and to exclude subscription rights

The authorization of the company to acquire own shares, resolved on by the Shareholders' Meeting on 12 May 2006, expires on 11 November 2007. It is to be replaced by a new authorization.

The Management Board and the Supervisory Board hence propose that the following resolution be passed:

a) The company is authorized for the period subsequent to 28 April 2007 to 27 October 2008, inclusively, to acquire pursuant to § 71 (1) no. 8 of the Stock Corporation Act own shares up to a proportion of the share capital not in excess of 10 percent of the company's share capital existing at the time of the present resolution. At the option of the Management Board, acquisition may take place on the Stock Exchange or via a public offer to buy (or – insofar as is legally permissible – via a public call to submit a sell offer) which is addressed to all shareholders. The price for the acquisition of these shares shall not exceed or go below the stock exchange price by more than 10 percent, all and any ancillary acquisition costs being excluded from the calculation. In the case of acquisition on the Stock Exchange, the relevant stock exchange price within the meaning of the above provision shall be the mean value of the share prices at the XETRA final auction (or in a comparable successor system) during the last three Stock Exchange trading days prior to acquisition of the shares. In the event of acquisition via a public offer to buy (or a public call to submit a sell offer) which is addressed to all shareholders, the relevant stock exchange price shall be the mean value of the share prices at the XETRA final auction (or a comparable successor system) during the last three Stock Exchange trading days

prior to publication of the offer. In the event of considerable price fluctuations, the Management Board shall be authorized to publish this offer to buy or call to submit a sell offer, taking account of a new mean value of the share prices in line with the sentence above. On acquisition via a public offer to buy (or a public call to submit a sell offer) addressed to all shareholders, the volume of the offer may be restricted. The offer or the call to submit an offer may contain further prerequisites. Insofar as the entire acceptance of the offer (or the total number of offers) exceeds this volume, the acquisition must take place in proportion to the shares offered in each case, whereby small parcels offered for sale (up to 100 pieces) may be afforded preferential treatment. The offer or the call to submit an offer may contain further conditions.

b) The Management Board shall be authorized to effect disposal of the acquired own shares of the company in another manner than on the Stock Exchange or via an offer to the shareholders insofar as the shares are sold in return for a cash payment at a price which is not significantly lower than the stock exchange price of shares of the company of a similar class and terms of issue at the time of disposal.

c) The Management Board shall be authorized with the consent of the Supervisory Board to effect disposal of the acquired own shares in another manner than on the Stock Exchange or via a public offer

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addressed to all shareholders insofar as the acquired own shares, in the context of the company's Matching Stock Programme, are sold to participants in such programme who are or were in an employment relationship with the company or a connected enterprise. Insofar as disposal is to take place in the context of the company's Matching Stock Programme to Management Board members or former Management Board members of the company, the Supervisory Board shall be authorized to effect such disposal by other means than on the Stock Exchange or via a public offer addressed to all shareholders. The shareholders' subscription right concerning the company's own shares shall be excluded in this respect.

- d) Furthermore, the Management Board shall be authorized to make use of the acquired own shares as complete or part counter payment, in the context of mergers or in the (also indirect) acquisition of enterprises, parts of enterprises or holdings in enterprises. The subscription right of the shareholders with regard to the own shares of the company shall be excluded in this respect.
- e) Further, the Management Board shall be authorized with the consent of the Supervisory Board to use the acquired own shares to satisfy convertible bonds, warrant bonds, profit participation bonds or participation rights (or combinations of these instruments) which the company

issues or has issued on the basis of the resolution of the Shareholders' Meeting of 31 May 2005. The shareholders' subscription right concerning the own shares shall be excluded in this respect.

- f) Furthermore, the Management Board shall be authorized to completely or partly withdraw the acquired own shares with the consent of the Supervisory Board without a further resolution of the Shareholders' Meeting. They may also be withdrawn in a simplified procedure without a capital decrease by adjusting the proportionate mathematical amount of the other shares in the share capital of the company. Withdrawal may be restricted to a part of the acquired shares. Multiple use may be made of the authorization to withdraw. If the withdrawal takes place in the simplified procedure, the Management Board shall be authorized to adjust the number of the shares in the Articles.
- g) The above authorizations may be exercised once or several times, completely or in parts, individually or together. They may also be utilized by group companies within the meaning of § 17 of the Stock Corporation Act.
- h) The company's authorization of 12 May 2006 to acquire own shares shall be rescinded on coming into effect of the present new authorizations.

## Report of the Management Board

### Report of the Management Board pursuant to item no. 8 of the Agenda

In accordance with customary business practice, the proposal for a resolution put forward by the Management Board and the Supervisory Board provides on the basis of § 71 (1) no. 8 of the Stock Corporation Act for authorization by the Shareholders' Meeting for the company to acquire own shares amounting to up to 10 percent of the current share capital for a maximum of 18 months. The Management Board already has such an authorization, of which use has been made in part; a total of 1,825,161 shares have been acquired by the company in the exercise of this authorization (as on: 14 March 2007). This time-limited authorization to acquire own shares adopted in the Shareholders' Meeting of MTU Aero Engines Holding AG of 12 May 2006 is to be extended.

In deciding on the use of the own shares, the Management Board shall be guided solely by the interests of the shareholders and of the company. The Management Board shall report to the Shareholders' Meeting on any exercise of the proposed authorization.

In acquisition of own shares, the principle of equal treatment is to be applied pursuant to § 53a of the Stock Corporation Act. Such envisioned acquisition of the shares on the Stock Exchange or through a public offer to buy (or a public call to submit a sell offer) adheres to this principle. Insofar as a public offer or a public call to submit an offer is oversubscribed, acquisition must take place in proportion to

the number of shares offered in each case. For the re-sale of own shares that have been acquired, the law provides in principle for the sale on the Stock Exchange or through an offer to all shareholders, by which means the principle of equal treatment pursuant to § 53a of the Stock Corporation Act is adhered to.

The Shareholders' Meeting can however also resolve on disposal by other means in appropriate application of § 186 (3) and (4) of the Stock Corporation Act. In this respect, the resolution provides that the Management Board is authorized with the consent of the Supervisory Board to effect disposal of the acquired own shares in another manner than on the Stock Exchange or through an offer addressed to all shareholders, if the own shares that have been acquired are sold in return for a cash payment at a price which is not significantly lower than the stock exchange price of shares of the company of a similar class and terms of issue at the time of disposal. According to the current state of discussion in the reference material, a deduction from the current stock exchange price is considered permissible in an amount of up to 10 percent of the stock exchange price. This authorization makes use of the possibility to exclude subscription rights as permitted in § 71 (1) no. 8 of the Stock Corporation Act, in appropriate application of § 186 (3) sentence 4 of the Stock Corporation Act. All in all, the shareholders' assets and voting right interests are suitably maintained in the case of disposal of the own shares to third parties, excluding the shareholders from the subscription right on the basis of § 71 (1) no. 8 of the Stock

## Report of the Management Board

Corporation Act. The authorization is restricted to a total of a maximum of 10 percent of the company's share capital which is in existence at the time when the resolution is passed. Shareholders who are interested in maintaining their quota of voting rights may on principle acquire a corresponding additional number of shares on the Stock Exchange. The Management Board and the Supervisory Board take the view that this framework serves the company's interests, given the strategy pursued by the company, and is also suitable to serve the shareholders' interests.

The resolution further provides for an authorization for the Management Board to use the acquired own shares in whole or in part to satisfy the claims of the company's employees accruing from the company's Matching Stock Programme. In respect of details of this programme, reference is made to the section entitled "Remuneration Report" in the annual report for the fiscal year 2006. In terms of legal technique, this form of use is contingent on the subscription right of the shareholders being ruled out in this respect with regard to their own shares; this is provided for by the resolution.

Furthermore, the resolution provides to authorize the Management Board to offer to third parties, and/or to make use of, all or some of the acquired own shares as (part) counter payment, in the context of mergers or in the (also indirect) acquisition of enterprises, parts of enterprises or holdings in enterprises. When opportunities arise, the company is to be enabled to implement targeted acquisitions of

enterprises or of holdings in the context of the company's object, as set out in its Articles. In the international context in particular, owners of enterprises and holdings frequently expect to receive shares in the acquiring company as a counter payment for the disposal of the enterprise or holding. The proposed authorization places the company in a position in which it is also able for instance to make use of available own shares as a counter payment in concrete acquisition projects in which it may be in competition with other prospective buyers, and hence under certain circumstances to be able to forego increasing the share capital in return for capital subscribed in kind as would otherwise be necessary. In terms of legal technique, this form of use is also contingent on the subscription right of the shareholders being ruled out in this respect with regard to their own shares, which is provided for by the resolution in this sense.

The company is also to be authorized to use own shares to meet obligations from convertible bonds, warrant bonds, profit participation bonds or participatory rights (or combinations of such instruments) which were issued or are still to be issued on the basis of the authorization resolution of the Shareholders' Meeting held on 31 May 2005, as well as of supplementary resolutions made by the Shareholders' Meeting. This authorization is already in the interest of the company and of the shareholders because it enables the company, insofar as is proper in the concrete case, to avoid issuing new shares from the authorized but unissued capital, and hence increasing the capital and diluting shareholders' voting rights

and quotas. The price at which the shares are issued depends in such a case on the respective circumstances of the individual case and on the time. In setting prices, the Management Board will orientate itself in line with the interests of the company. If the shares are used to serve convertible bonds, warrant bonds, profit participation bonds or participatory rights (or a combination of such instruments), the price at which the shares are sold corresponds to the respective exercise price for the convertible bonds, warrant bonds, profit participation bonds or participatory rights (or a combination of such instruments). It is once more a prerequisite in terms of legal technique for the subscription right of the shareholders to be ruled out in this respect with regard to their own shares, which is a constitutive element of the resolution.

Own shares acquired on the basis of the present authorizing resolution may be withdrawn by the company without a new resolution from the Shareholders' Meeting. In accordance with § 237 (3) no. 3 of the Stock Corporation Act, the company's Shareholders' Meeting may resolve the withdrawal of its fully paid-up shares without thereby necessitating a decrease in the share capital of the company. The proposed authorization explicitly provides this alternative, in addition to a withdrawal that is coupled with a capital decrease. In the event of withdrawal of the own shares without a capital decrease, the mathematical proportion of the other shares in the company's share capital increases automatically. The Management Board shall hence be authorized to effect the amendment to the Articles necessitated

thereby with regard to the number of shares altered by such withdrawal.

On the basis of the above considerations, the Management Board and the Supervisory Board regard the proposed authorization to acquire own shares as being in the interest of the shareholders, and consider it to justify in individual cases exclusion of the shareholders' subscription right. The Management Board and the Supervisory Board shall hence examine and consider in each individual case whether authorization of own shares, leading to the exclusion of the subscription right, is in the overriding interest of the company.

## Notices

### Notices pursuant to § 128 (2) sentences 6 to 8 of the Stock Corporation Act

The following banks have undertaken the company's most recent security issue in the past five years:

Deutsche Bank Aktiengesellschaft,  
Frankfurt am Main

Bayerische Hypo- und Vereinsbank AG, Munich

Commerzbank Aktiengesellschaft,  
Frankfurt am Main

### Attendance at the Shareholders' Meeting

Pursuant to § 15 of the Articles of MTU Aero Engines Holding AG, only those shareholders are entitled to attend the Shareholders' Meeting and to exercise the voting right who are registered as shareholders in the company's share register and have registered their shares such that their registration has been received by the company at the latest on the seventh day prior to the Shareholders' Meeting, in other words at the latest by Friday, 20 April 2007.

Shareholders who are entered in the share register can register either in writing with MTU Aero Engines Holding AG at the following address:

MTU Aero Engines Holding AG  
c/o Computershare HV-Services AG  
HV-Anmeldung  
Prannerstraße 8  
80333 München

or by telefax on the following number:  
+49 89 3090374675

or in electronic form at the Internet address:  
[www.mtu.de/hv](http://www.mtu.de/hv)

Further information on the registration procedure is available on the registration form and on the above Internet site. In order to register by electronic means, you will require the individual access code which you receive with the shareholder documents.

If a bank is entered in the share register, this bank may exercise the voting right for shares which do not belong to it only on the basis of an authorization from the shareholder.

### Voting right proxy

Shareholders who are entered in the share register and do not wish to attend the Shareholders' Meeting in person may have their voting right exercised by a proxy, such as a bank or a shareholders' association. Also in this case, timely registration by the shareholder or the proxy must be ensured. A written form of notification is necessary in accordance with the company's Articles for the transfer of the voting right to a proxy.

Furthermore, we offer that you may also be represented at the Shareholders' Meeting by company employees as per your instructions.

These voting right proxies must be issued with a proxy and instructions to exercise the voting right to this end. The voting right proxies are obliged to vote as instructed. Prior to the Shareholders' Meeting, the proxy and instructions for the voting right proxies named by the company may be transmitted by Thursday, 26 April 2007, 12:00 a.m., in writing, by telefax or in electronic form to the above Internet address.

Please note that the voting right proxies will not accept requests to speak or to ask questions or put forward propositions, and will not support procedural propositions and unannounced propositions by shareholders.

We will provide our shareholders with further details, as well as forms for the issuance of proxies and instructions, under the same cover as the invitation to the Shareholders' Meeting.

**Propositions, nominations and shareholders' requests**

Propositions by shareholders within the meaning of § 126 of the Stock Corporation Act, or nominations within the meaning of § 127 of the Stock Corporation Act, are to be addressed exclusively in writing to MTU Aero Engines Holding AG either at the address:

MTU Aero Engines Holding AG  
Department Investor Relations  
Dachauer Straße 665  
D-80995 München  
Germany

or by telefax at the following number:

Fax: +49 89 1489-2172

or in electronic form to the following e-mail address:

[hauptversammlung2007@muc.mtu.de](mailto:hauptversammlung2007@muc.mtu.de)

Propositions and nominations otherwise addressed will not be taken into account for the disclosure of documents in accordance with § 126 and 127 of the Stock Corporation Act. Propositions and nominations by shareholders regarding the items of the Agenda which are

subject to disclosure and which are received at the above address by Thursday, 12 April 2007 at the latest, including the name of the relevant shareholder, the reasons given and any opinion of the management expressed thereon, will be published without delay after their receipt at the following Internet address

[www.mtu.de/hv](http://www.mtu.de/hv)

**Notice in accordance with § 30b (1) no. 1 of the Securities Trading Act (WpHG)**

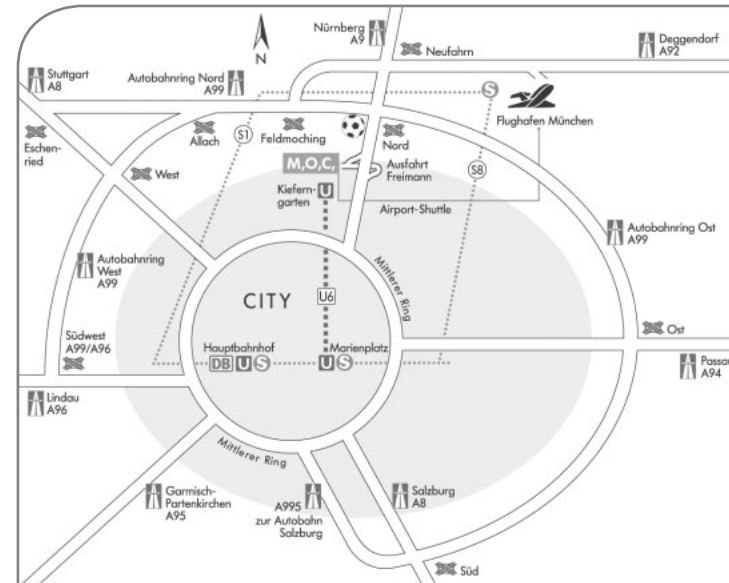
In accordance with § 30b (1) no. 1 of the Securities Trading Act in the version of the Transparency Directive Transposition Act, we are in a position to state as follows:

At the time of the convocation of the 2007 Shareholders' Meeting, MTU Aero Engines Holding AG has issued a total of 55,000,000 shares, granting 55,000,000 votes. The company had 1,825,161 own shares at the time of convocation. The company has no voting rights from these own shares.

Munich, March 2007  
MTU Aero Engines Holding AG  
The Management Board

**This version of the notice of shareholders' meeting, prepared for the convenience of English-speaking readers, is a translation of the German original. For the purposes of interpretation the German text shall be authoritative and final.**

## HOW TO GET TO M,O,C,



### Arriving from:

#### Airport:

- A92 to interchange Neufahrn
- A9 to exit München-Freimann

#### Nuremberg:

- A9 to exit München-Freimann

#### Stuttgart:

- A8 interchange Eschenried
- A99 direction Salzburg
- At interchange München-Nord take A9 direction München (Munich)
- Exit München-Freimann

#### Lindau:

- A96 to interchange Süd-West
- A99 direction Salzburg
- At interchange München-Nord take A9 direction Munich
- Exit München-Freimann

#### Garmisch:

- A95 to the end of the freeway
- Mittlerer Ring Nord
- Olympiapark
- A9 freeway direction Nürnberg/Flughafen (Nuremberg/airport)
- Exit München-Freimann

### Salzburg:

- At interchange München-Süd take A99 direction Nürnberg (Nuremberg)
- At interchange München-Nord take A9 direction München (Munich)
- Exit München-Freimann

### Passau:

- A94 to interchange München-Ost, then A99 direction Nürnberg (Nuremberg)
- At interchange München-Nord take A9 direction München (Munich)
- Exit München-Freimann

### General:

- From Munich city centre or arriving from any other direction on A9 freeway: exit München-Freimann; turn into Heidemannstraße, then Lilienthalallee 40, then approx. 500 m to M,O,C,

### Subway:

- From Marienplatz, take line U6 to Garching-Forschungszentrum or Fröttmaning; journey time 12 minutes
- From central station (Hauptbahnhof): take S-Bahn rapid transit two stops to Marienplatz, then change to subway line U6
- Exit at Kieferngarten
- 5 minutes' walk to M,O,C,