

Compliance declaration 2006

Declaration by the Board of Management and Supervisory Board of MTU Aero Engines Holding AG pursuant to Section 161 of the German Stock Corporation Act (AktG) regarding the German Corporate Governance Code

The Board of Management and the Supervisory Board of MTU Aero Engines Holding AG declare that the recommendations of the Government Commission on the German Corporate Governance Code, as published in the amended version of 12 June, 2006 by the Federal Ministry of Justice in the official section of the electronic Federal Gazette, have been and are being complied with. The Board of Management and the Supervisory Board of MTU Aero Engines Holding AG also intend to follow these recommendations in the future. The only recommendations of the German Corporate Governance Code which have not been and will not be applied are the following:

1. Form and details of Supervisory Board compensation (Section 5.4.7, paragraphs 2 and 3 of the Code)

The members of the Supervisory Board do not receive performance-related compensation. It is our considered view that a fixed compensation arrangement is appropriate and that it should not be linked to the company's performance. In our opinion, performance-related compensation is not suitable to furthering the control function exercised by the Supervisory Board.

The compensation for the Supervisory Board is not reported individually nor subdivided according to components. The remuneration received by the members of the Supervisory Board will be shown as a total amount. In view of the level of compensation and the stipulations of the Articles of Association (cf. section 12 of the Articles of Association), we consider a statement of the total remuneration received to be sufficient for the purpose of evaluating its adequacy.



2. Reporting of the total ownership of shares in the company (Section 6.6 of the Code)

The number of shares in the company held by members of the Board of Management and the Supervisory Board will not be reported separately in respect of each Board. As the members of the Board of Management and the Supervisory Board do not consult with one another regarding the exercise of their stock rights, we do not consider such reporting to be appropriate. A corresponding provision has yet to be specified by legislators, as such information is not deemed necessary.

Munich, December 2006

For the Board of Management

Udo Stark

CEO

For the Supervisory Board

Johannes P. Huth

Chairman