



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



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Invitation

MTU Aero Engines Holding AG
München
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, 12 May 2006, at 10:00 a.m.

in the ArabellaSheraton Grand Hotel
Entrance: Ballsaal Foyer
Arabellastraße 6
81925 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 consolidated financial statements approved by the Supervisory Board as well as the group management report, and presentation of the Supervisory Board report for the fiscal year 2005

These documents can be inspected from the time of convocation of the Shareholders' Meeting onwards on the Internet at the address <http://www.mtu.de/hv> and on the premises of MTU Aero Engines Holding AG, main entrance, Dachauer Straße 665, 80995 München.

Each shareholder will be sent a copy of these documents on request without delay and free of charge. These documents are also available for inspection during the Shareholders' Meeting.

2. Resolution on the appropriation of balance sheet profits

The Management Board and the Supervisory Board propose to appropriate the balance sheet profits of MTU Aero Engines Holding AG of the fiscal year 2005, amounting to Euro 40,150,000.00, as follows:

Appropriation of balance sheet profits			
1. Balance sheet profits	Euro	40,150,000.00	
2. Distribution of a dividend of Euro 0.73 per dividend-bearing share	Euro	40,150,000.00	
3. Transfer to revenue reserves	Euro		–
4. Profit carried forward	Euro		–

The dividend will be disbursed on 15 May 2006.

3. Resolution on the ratification of the acts of the members of the Management Board in the fiscal year 2005

The Management Board and the Supervisory Board propose the ratification of the acts of the members of the Management Board for the fiscal year 2005.

4. Resolution on the ratification of the acts of the members of the Supervisory Board in the fiscal year 2005

The Management Board and the Supervisory Board propose the ratification of the acts of the members of the Supervisory Board for the fiscal year 2005.

5. Election of shareholders' representatives to the Supervisory Board

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

5a. Election of Dr.-Ing. Jürgen M. Geissinger as a member of the Supervisory Board

By order of München Local Court (Amtsgericht) of 4 October 2005, Dr.-Ing. Jürgen M. Geissinger was appointed pursuant to Sec. 104 of the Stock Corporation Act as a Supervisory Board member of the company in place of Mr. Oliver Haarmann, who retired from office with effect from 1 October 2005. He is now to be elected by the Shareholders' Meeting as a Supervisory Board member.

The Supervisory Board hence proposes the election of

Dr.-Ing. Jürgen M. Geissinger,
Plüderhausen,
Chief Executive Officer of INA-Holding
Schäffler KG, Herzogenaurach,

as a shareholders' representative on the Supervisory Board for the period until the closure of the Shareholders' Meeting which resolves on the ratification of the acts of the Supervisory Board for the fiscal year 2010. This election is effected not for the remainder of the original period of office of Mr. Oliver Haarmann, 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.

Agenda

Information on item no. 5a of the Agenda pursuant to Sec. 125 (1) sentence 3 of the Stock Corporation Act

Dr.-Ing. Jürgen M. Geissinger is a member of the supervisory boards of MTU Aero Engines GmbH (Group mandate) and of MDL Mitteldeutsche Leasing AG, the establishment of which is required by law. Over and above this, Dr.-Ing. Jürgen M. Geissinger has the following membership in a comparable foreign control body of an economic enterprise: Non-executive Director of Tower Automotive Inc., Novi, Michigan, U.S.A.

5b. Election of Mr. Louis R. Hughes as a member of the Supervisory Board

By order of München Local Court of 27 January 2006, Mr. Louis R. Hughes was appointed pursuant to Sec. 104 of the Stock Corporation Act as a Supervisory Board member of the company in place of Mr. Reinhard Gorenflos, who retired from office with effect from 31 December 2005. He is now to be elected by the Shareholders' Meeting as a Supervisory Board member.

The Supervisory Board proposes the election of

Mr. Louis R. Hughes,
Winnetka, Illinois, U.S.A.,
Chief Executive Officer of
GBS Laboratories, LLC.,
Herndon, Virginia, U.S.A.,

as a shareholders' representative on the Supervisory Board for the period until the closure of the Shareholders' Meeting which

resolves on the ratification of the acts of the Supervisory Board for the fiscal year 2010. This election is effected not for the remainder of the original period of office of Mr. Reinhard Gorenflos, 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.

Information on item no. 5b of the Agenda pursuant to Sec. 125 (1) sentence 3 of the Stock Corporation Act

Mr. Louis R. Hughes is a member of the supervisory board of MTU Aero Engines GmbH (Group mandate), the establishment of which is required by law. Over and above this, Mr. Louis R. Hughes has the following memberships in comparable foreign supervision authorities in relation to a commercial enterprise: Non-executive Board Member of ABB Ltd., Switzerland, Non-executive Director of Electrolux AB, Sweden, Non-executive Director of British Telecom plc., United Kingdom (only until 31 March 2006), Non-executive Chairman of Maxager Technology, Inc., U.S.A., Non-executive Director of Sulzer AG, Switzerland.

6. Resolution on the appointment of auditors to review the financial statements and the consolidated financial statements for the fiscal year 2006

The Supervisory Board proposes the appointment of

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft, München,

as auditors to review the financial statements and the consolidated financial statements for the fiscal year 2006.

7. Resolution on authorization to acquire and use own shares pursuant to Sec. 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 30 May 2005, expires on 29 November 2006. It is to be replaced by a new authorization. No use was made of the previous 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 12 May 2006 to 11 November 2007, inclusively, to acquire pursuant to Sec. 71 (1) no. 8 of the Stock Corporation Act own shares up to a proportion of the share capital not in excess of ten percent of the company's share capital existing at the time of the present resolution. At the option of the Manage-

ment Board, acquisition may take place on the Stock Exchange or via a public offer to buy 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 ten 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 prices of the company's share at the XETRA final auction (or in a comparable successor system) during the last ten Stock Exchange trading days prior to acquisition of the shares.

In the event of acquisition via a public offer to buy which is addressed to all shareholders, the relevant stock exchange price shall be the mean value of the prices of the company's share at the XETRA final auction (or a comparable successor system) during the last ten Stock Exchange trading days prior to publication of the decision to submit this offer. In the event of considerable price fluctuations, the Management Board shall be authorized to publish a new offer to buy, taking account of a new mean value of the share prices in line with the sentence above. On acquisition via an offer to buy addressed to all shareholders, the volume of the offer may be restricted. Insofar as the entire acceptance of the offer 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.

Agenda

b) 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 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.

c) Further, the Management Board shall be authorized to use the acquired own shares wholly or in part as counter payment in the context of mergers or in the (also indirect) acquisition of enterprises, parts of enterprises or participations in enterprises. 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 completely or partly withdraw the acquired own shares with the consent of the Supervisory Board without a further resolution of the Shareholders' Meeting.

e) Further, the Management Board shall be authorised 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 issued on the basis of the resolution of the Shareholders' Meeting of 31 May 2005. The shareholders' subscription right concerning the company's own shares shall be excluded in this respect.

f) 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 Sec. 17 of the Stock Corporation Act. The company's authorization of 30 May 2005 to acquire own shares shall be rescinded on coming into effect of the present new authorizations. In the case of the acquisition of own shares, the Management Board must inform the next ordinary Shareholders' Meeting of the objects named in Sec. 71 (3) sentence 1 of the Stock Corporation Act.

Report of the Management Board

Report of the Management Board pursuant to item no. 7 of the Agenda of the Shareholders' Meeting of 12 May 2006 pursuant to Sec. 71 (1) no. 8 of the Stock Corporation Act in conjunction with Sec. 186 (4) sentence 2 of the Stock Corporation Act

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 Sec. 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 % of the current share capital for a maximum of 18 months. The Management Board already has such an authorization. The time-limited authorization to acquire own shares adopted in the Shareholders' Meeting of MTU Aero Engines Holding AG of 30 May 2005 is to be extended and expanded to cover further cases.

In acquisition of own shares, the principle of equal treatment is to be applied pursuant to Sec. 53a of the Stock Corporation Act. Such envisioned acquisition of the shares on the Stock Exchange or through a public offer to buy adheres to this principle. Insofar as a public offer to buy 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 on principle for sale on the Stock Exchange or through an offer to all shareholders, by which means the principle of equal treatment pursuant to Sec. 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 Sec. 186 (3) and (4) of the Stock Corporation Act.

In this respect, the authorization resolution provides that the Management Board is authorized with the consent of the Supervisory Board to effect disposal of the acquired 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 companies 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 % of the stock exchange price.

This authorization makes use of the possibility to exclude subscription rights as permitted in Sec. 71 (1) no. 8 of the Stock Corporation Act, in appropriate application of Sec. 186 (3) sentence 4 of the Stock Corporation Act. This possibility to exclude the subscription right in the re-sale of the company's own shares in appropriate application of Sec. 186 (3) sentence 4 of the Stock Corporation Act is in the interest of the company. The management is thereby enabled 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

Report of the Management Board

“Corporate Governance Remuneration Report” in the annual report for the fiscal year 2005.

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 Sec. 71 (1) no. 8 of the Stock Corporation Act. The authorization is restricted to a total of a maximum of 10 % of the company’s share capital which is in existence at the time the resolution is passed.

Shares and subscription or exchange rights in respect of shares which have been issued on the basis of approved capital since the time of the award of the authorization are to be allowed against this maximum limit pursuant to Sec. 203 (2), 186 (3) sentence 4 of the Stock Corporation Act, or on the basis of authorization pursuant to Sec. 221 (4) and 186 (3) sentence 4 of the Stock Corporation Act.

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.

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 shareholders’ 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.

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 watering down shareholders’ voting rights and quotas.

The price at which the shares are issued in such a case depends on the respective circumstances of the individual case and on the time. In setting prices, the Management Board will orientate itself according to the interests of the company. If the shares are used to serve convertible bonds, warrant bonds, profit participation bonds or participatory rights (or combinations 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 combinations of such instruments).

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 will hence examine and weigh up in each individual case whether authorization of own shares is in the overriding interest of the company, leading to the exclusion of the subscription right.

Notices

Notices pursuant to Sec. 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:

UBS Limited,
London;

Deutsche Bank Aktiengesellschaft,
Frankfurt am Main;

Goldman, Sachs & Co. oHG,
Frankfurt am Main;

Bayerische Hypo- und Vereinsbank AG,
München;

JPMorgan Cazenove Limited,
London;

Commerzbank Aktiengesellschaft,
Frankfurt am Main;

BNP Paribas Arbitrage SNC,
Paris;

Sal. Oppenheim jr. & Cie.
Kommanditgesellschaft auf Aktien,
Köln

Attendance at the Shareholders' Meeting

Registration

Pursuant to Sec. 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, 5 May 2006.

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

MTU Aero Engines Holding AG
c/o Computershare GmbH
Carl-Zeiss-Strasse 6-8
85247 Schwabhausen

or by telefax on the following number:
++49 / (0)8138 / 93069980

or in electronic form at the Internet address:
<http://www.mtu.de/hv>

Further information on the registration procedure is available in the notices attached to 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 for the transfer of the voting right to a proxy.

As a special service, 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 proxy named by the company may be transmitted by Thursday, 11 May 2006, 12:00 a.m., in writing, by telefax or in electronic form to the above 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.

Notices

Propositions, nominations and shareholders' enquiries

Propositions by shareholders within the meaning of Sec. 126 of the Stock Corporation Act, or nominations within the meaning of Sec. 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
Abteilung Recht
Dachauer Straße 665
80995 München

or by telefax at the following number:
Fax: ++49 / (0)89 / 1489 - 5814

or in electronic form to the following e-mail address:
hauptversammlung2006@muc.mtu.de

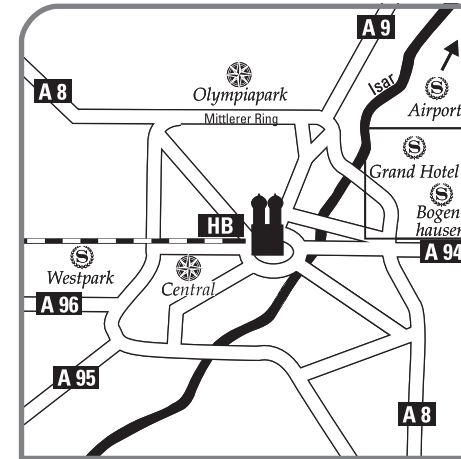
Propositions and nominations otherwise addressed will not be taken into account for the disclosure of documents in accordance with Sec. 126 and 127 of the Stock Corporation Act. Propositions and nominations by shareholders regarding the items of the Agenda which are subject to disclosure and which are received at the above address by Friday 28 April 2006 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

<http://www.mtu.de/hv>

München, March 2006
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.

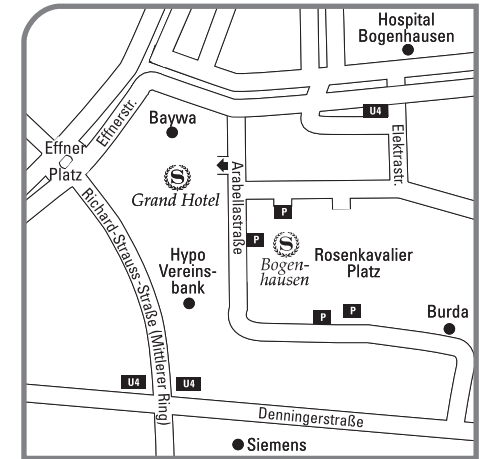
How to find us



Coming from the motorway Stuttgart A8 – go straight until "Verdistraße" pass the "Botanischer Garten" and follow the direction motorway Nürnberg. When you reach the "Mittlerer Ring" go ahead until "Petuelring" and "Isarring" until you get to the district Bogenhausen. At the "Effnerplatz" turn left to the "Effnerstraße" and immediately turn right into the "Engschalkinger Straße". The first road on the right hand side is called "Arabellastraße".

Coming from the motorway Nürnberg A9 – follow the exit "Föhringer Ring/Frankfurter Ring". Being on the "Föhringer Ring" go ahead until you get to the district Bogenhausen. At the junction on the "Effnerplatz" turn left twice. From the "Effnerstraße" immediately turn right into the "Engschalkinger Straße". The first road on the right hand side is called "Arabellastraße".

Coming from the motorway Salzburg A8 – go straight until you reach the "Mittlerer Ring Ost" follow the "Innsbrucker Ring", "Leuchtenbergring", Richard-Strauss-Straße, until you get to the district Bogenhausen. At the "HypoVereinsbank" building turn right into the "Denninger Straße". At the third traffic light turn left into the "Arabellastraße".



Coming from the motorway Garmisch A95 – go straight until you reach the "Mittlerer Ring Süd" and follow the direction motorway Passau. Following the "Innsbrucker Ring", "Leuchtenbergring", "Richard-Strauss-Straße", until you get to the district Bogenhausen. At the "HypoVereinsbank" building turn right into the "Denninger Straße". At the third traffic light turn left into the "Arabellastraße".

Coming from the motorway Lindau A96 – you reach automatically the "Mittlerer Ring". You follow the direction to motorway Nürnberg passing by the "Olympiapark". Following "Petuelring" and "Isarring" until you reach the district Bogenhausen. At the "Effnerplatz" turn left into the "Effnerstraße" and immediately turn right into the "Engschalkinger Straße". The first road on the right hand side is called "Arabellastraße".


**ArabellaSheraton
Grand Hotel**
München