
MTU Aero Engines signs expanded Cooperative Model contract

- **100 million € in additional sales**
- **New MTU facility at Erding**
- **Bundeswehr saves 37 million €**

Bonn – MTU Aero Engines is expanding its military engine maintenance activities. The company has signed a contract with the German Federal Office of Defense Technology and Procurement (Bundesamt für Wehrtechnik und Beschaffung - BWB) on the expansion of the existing industry-military cooperative model of engine maintenance ("Cooperative Model"). The agreement widens the scope of maintenance, which had so far involved only the Eurofighter EJ200 engine, to include also the RB199 (Tornado), J79 (Phantom) and RR250-C20 (BO 105 helicopter) powerplants, all of which will be repaired under MTU's industrial leadership. The ten-year contract is worth totally 370 million €, of which approximately 100 million € are additional sales for MTU. The Bundeswehr (German armed forces) will save 37 million € through the deal.

The Cooperative Model pools previously separate maintenance resources of MTU's Munich facility and the German Air Force's Erding base. It reduces inventory requirements and shortens lead times. The RB199 and RR250-C20 engines will be supported solely at the Erding location. The J79 will be maintained at the company's Munich facility, where the EJ200 has already been repaired under the cooperative model since 2002.

The engine activities of Luftwaffe Maintenance Section 15 at Erding will be continued as an MTU branch facility. 60 Bundeswehr civilian employees will be transitioned to the new entity, where a staff of 120 will be working, assembled from 30 airmen, 30 Bundeswehr civilian employees plus 60 personnel from MTU's regular Munich workforce. 30 of the Bundeswehr civilians will relocate from Erding to MTU's Munich site, where 18 airmen are working in military maintenance as well.

"The new contract again reflects the close cooperation practiced all along by MTU and its largest customer, the Bundeswehr," said MTU Aero Engines President and CEO Udo Stark at the contract signing ceremony in Bonn. "We're highly gratified this contract lets us, as the Bundeswehr's preferred industrial partner, continue supporting practically all engine types flown by the Luftwaffe."

German Armaments Director Dr. Jörg Kaempf emphasized: "This cooperative effort is economically advantageous for the Bundeswehr, ensures that indispensable military skills are preserved and helps secure employment for 60 Luftwaffe civilian personnel." Witnessing the execution of the contract on November 16, 2005 in the Federal Ministry of Defense was Lieutenant General Klaus-Peter Stieglitz, Chief of Staff, German Air Force.



With a global workforce of 6,800 employees, MTU Aero Engines is Germany's leading engine manufacturer and one of the big players in the industry. Having carved out a leadership role in engine technologies, MTU is Germany's industrial lead company for practically all engines flown by the Bundeswehr. The company excels especially in high-pressure compressors and low-pressure turbines, engine control systems and innovative manufacturing and repair techniques. In terms of sales, MTU is the world's largest independent provider of commercial engine maintenance services.

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