

MTU Aero Engines establishes new factory in Poland

- **Plant to be operational by 2009**
- **Competitive structures for sustained growth**

Munich, May 29, 2007 – MTU Aero Engines is going to build a new foreign location in Rzeszów, in the southeast of Poland. This has been decided by the board of management of Germany's leading engine manufacturer today. The new site is intended to develop, manufacture and repair engine components. MTU will invest about 50 million euros in the new company within the next three years, which will be named MTU Aero Engines Polska. Starting in 2011, the cost advantages of the new facility will add some 15 million euros annually to the group's earnings. The decision still needs approval by the MTU supervisory board.

Construction of the new factory will begin in autumn of this year, and production is scheduled to be launched in early 2009. Initially, the company will have about 100 employees, their number being expected to rise to about 400 by 2012. The new plant in Poland will focus on the development and production of rotor and stator blades for low-pressure turbines, assembly work on low-pressure turbines, and parts repair. Rzeszów is within easy reach through its international airport and proximity to the other MTU facilities.

"The new location already has a well-developed industrial environment that includes further aviation companies and a large potential of qualified, skilled workers. But our intention is not just shifting work to Poland," says MTU CEO Udo Stark. "Our major goal is to generate further growth through this new location. Our high-tech activities will remain in Germany," emphasized Stark.

Dr. Rainer Martens, executive vice president and COO, explained: "The advantages afforded by the location improve MTU's cost position, keeping the company competitively viable in the years ahead. Competitive structures enable us to make new investments in engine programs, which in turn means additional work shared by all locations."

The addition of the Polish location is part of a comprehensive structural concept by MTU that optimizes and in part reassigns work at the current locations, especially Munich, Hannover and Ludwigsfelde near Berlin. In the coming five years, due to the growth in the commercial MRO business, this will create additional jobs in Hannover



and Ludwigsfelde, while about 100 positions will be shed in Munich. In the process, competencies will be focused at specific locations: in Hannover, the high-tech repair of engine blades and vanes; in Ludwigsfelde, the high-tech repair of parts such as casings, frames and rings; and in Rzeszów, the repair of piping and honeycomb parts.

With its 7,100 employees, MTU Aero Engines is Germany's leading engine manufacturer and globally one of the major players in the business. In fiscal 2006, the company had 2.4 billion euros in sales. In the commercial area, MTU is the world's largest independent provider of engine services. In the military arena, it is Germany's industrial lead company for practically all engines flown by the country's armed forces. Having carved out leading positions in engine technologies, the company excels in low-pressure turbines, high-pressure compressors, engine control units, and manufacturing and repair techniques.

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