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**Joint venture company between Lufthansa Technik and MTU Aero Engines
Airfoil Services in Malaysia steps up capacity with opening of new facility**

- **Center of excellence for the repair of engine parts**

Kota Damansara - Reflecting the present boom in the Asian and worldwide aerospace market, Airfoil Services Sdn. Bhd. (ASSB) of Malaysia is expanding its engine parts repair capacity: the joint venture company between MTU Aero Engines and Lufthansa Technik with around 350 employees at present has moved to a new production facility at Kota Damansara near Kuala Lumpur. Over 250 new jobs have been created so far through the expansion and the product portfolio is to be extended further. The new, state-of-the-art production facility was opened on June 28 in the presence of local representatives of industry and government.

"In the four years since we committed ourselves to this joint venture with MTU, ASSB has developed into an important center of excellence for Lufthansa Technik in the high-tech repair of engine blades. In view of the dedication of the workforce and the high quality of their work, coupled with competitive costs, significant expansion of the business is a logical step," said Dr. Thomas Stüger, Chief Executive Product and Services at Lufthansa Technik AG.

"The philosophy we have been pursuing for years in our globalization strategy, especially in the MRO business, is to set up a network of mutually complementary locations. In doing so, we are fully aware of the special significance the Asian market has for us. When we decided – together with Lufthansa Technik – to expand ASSB we took an important step in the direction we wanted to go in the best interest of our customers," emphasized Bernd Kessler, MTU Aero Engines' President and CEO, Commercial Maintenance.

The new facility has taken less than one and a half years to build. With 6,000 m² of floorspace and approx 2,500 m² of office space, it is four times as big as the old premises in Shah Alam. Lufthansa Technik and MTU have invested some \$14 million in the new building and state-of-the-art plant and machinery. Today around 350 employees are repairing the technically challenging engine parts for the two

shareholders and various third-party customers world-wide. Over the next few years another 150 additional jobs are to be created.

ASSB repairs blades of low-pressure turbines and high-pressure compressors for the engine types V2500, CFM56, CF6 and CF34, but work is under way to add further models to the portfolio. The innovative flow line principle, state-of-the-art repair methods and highly skilled workforce make the company one of the world's leading centers of excellence in engine blade repairs.

ASSB has been jointly owned by Lufthansa Technik and MTU since 2003. Thanks to good underlying conditions such as a favorable location, a highly skilled workforce and government and regional support, the foundation stone for a brand new, much enlarged plant was then laid in March 2006. The two partners continue to regard staff training as a top priority. Over 50 employees have been trained at Lufthansa Technik and MTU in Germany.

MTU Aero Engines is Germany's leading engine manufacturer and ranks among the global players in the industry. In the commercial area, it is the world's leading independent provider of engine maintenance services, its MRO activities being pooled under the umbrella of MTU Maintenance. In the military arena, MTU is the 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 and high-pressure compressors, engine control units, as well as manufacturing and repair techniques. In fiscal 2006, the company had 7,100 employees worldwide and €2.4 billion in consolidated sales.

The **Lufthansa Technik** Group is the global market leader in the maintenance, repair and overhaul (MRO) of aircraft, their engines and components. As an internationally licensed repair, production and development organization, Lufthansa Technik offers integrated complete services for every area which are tailored to the requirements of each individual customer. As well as specific service offerings for aircraft owners such as banks and leasing companies, the portfolio of the Hamburg-based high-tech company includes the fitting out of large business and government aircraft and development of the latest repair technologies. With a workforce of 12,000 in Germany alone plus a further 13,000 in 27 subsidiaries and affiliates in Europe, Asia and USA, Lufthansa Technik achieved total sales of over €four billion to more than 580 airline customers in 2006.

For further information and in case of query, please contact:

Lufthansa Technik AG
Corporate Communications
Tel.: +49 40 / 5070-3667
Fax: +49 40 / 5070-8534
E-mail: Bernd.Habbel@lht.dlh.de
www.lufthansa-technik.com

MTU Aero Engines GmbH
Corporate Communications and Investor Relations
Tel.: +49 89 1489-2698
Fax: +49 89 1489-8757
E-mail: Odilo.Muehling@muc.mtu.de
www.mtu.de