

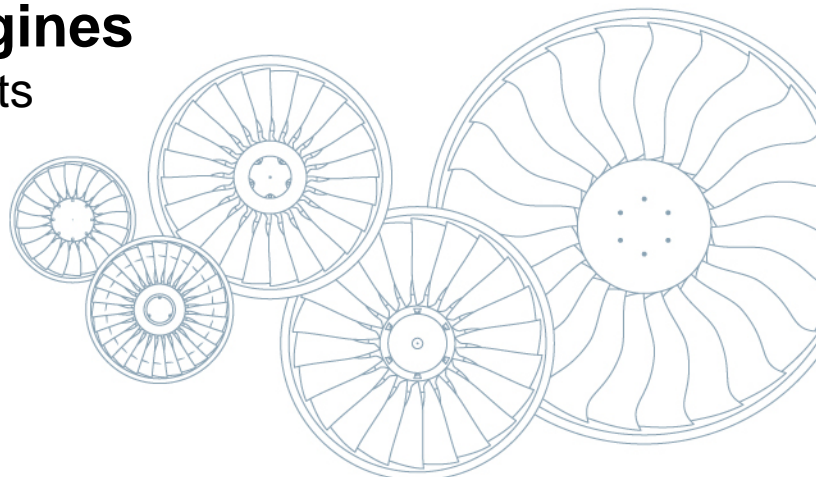


## FY 2010 Results – MTU Aero Engines

Conference Call with Investors and Analysts

– Preliminary Results –

February 23, 2011

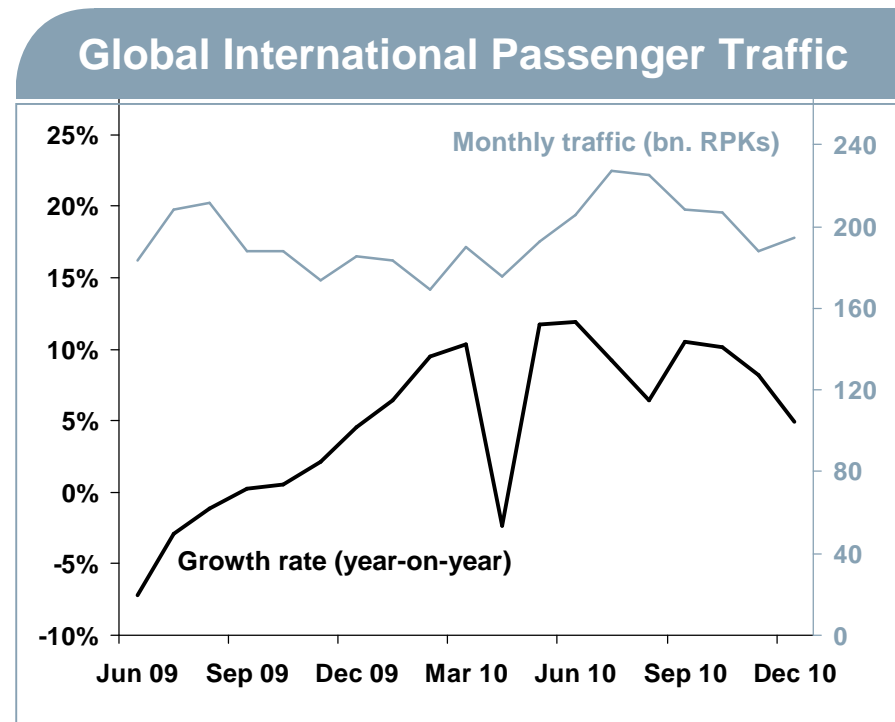


## Agenda

- **Business Highlights**
- Financial Highlights
- Segment Reporting
- Group Key Figures
- Guidance
- Appendix

## Business Highlights

- Stable business development in 2010
- In 2011 strong revenue growth expected, driven by new engine platforms



## Market Environment

- Strong market demand in 2010: worldwide air traffic saw an increase by 8.2% for passenger traffic and 20.6% for cargo
- As a result of severe weather conditions in Europe and North-America, worldwide passenger traffic growth slowed to 4.9% in Dec 2010
- Compared to pre-recession levels of early 2008, December air travel volumes were 4% above
- For 2011 IATA expects 5.2% growth for passenger traffic, oil prices expected to increase further

## Commercial OEM Business

- A320neo launch in Dec 2010 followed by significant aircraft order announcements (Virgin America 30 A/C, Air IndiGo 150 A/C). Engine decisions expected in next months
- The geared turbofan engine PW1000G is rapidly gaining market interest, currently over 600 engines on order/optioned
- Increased delivery rates of V2500 and GP7000 engines and market entry of GEnx to drive strong growth in new engine sales in 2011
- Pick up in spare parts sales in Q4 encouraging, positive trend continues into 2011

## Commercial MRO Business

- Development of Commercial MRO lagging behind spare parts trend
- Still low value per shop visit
- High exposure to fast growing regions/carriers (younger fleet, more MRO in future)



## Military Business

- 2010 revenues already affected by decline in German aftermarket volumes, trend to continue in 2011, as expected
- Ramping up of TP400 and U.S. programs will provide future growth
- TP400 tests running successfully – 1000 flight hours accomplished



## Cost savings

- Challenge 2010 cost savings of € 30 m achieved – further € 20 m expected in 2011



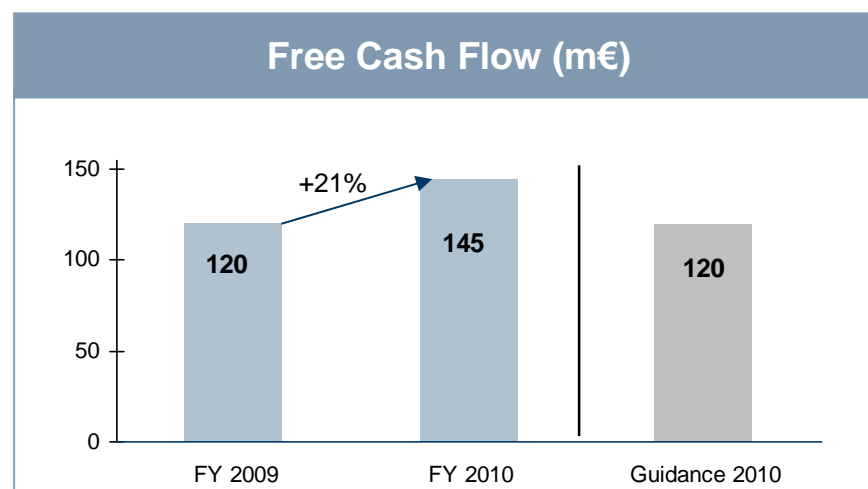
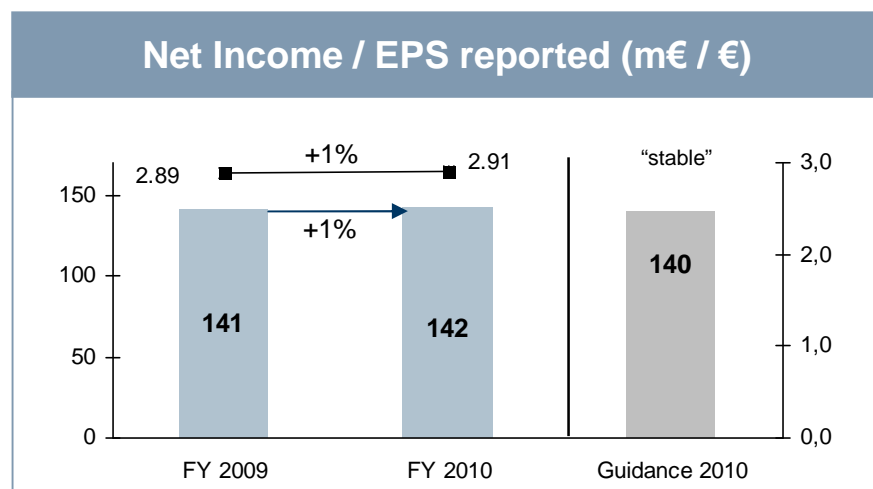
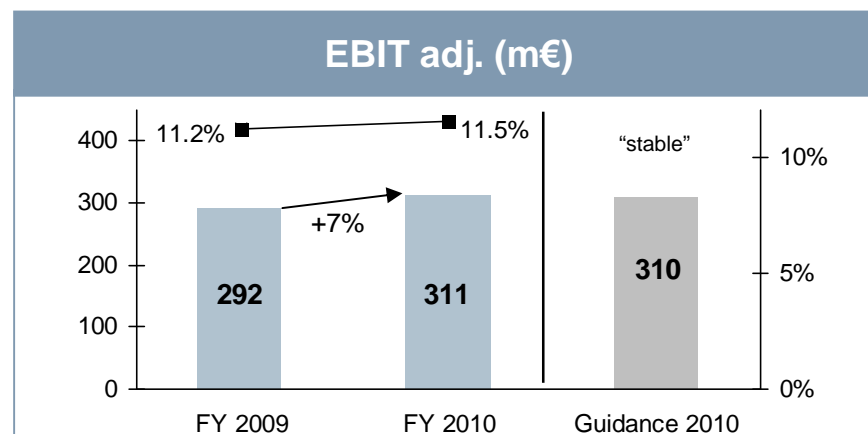
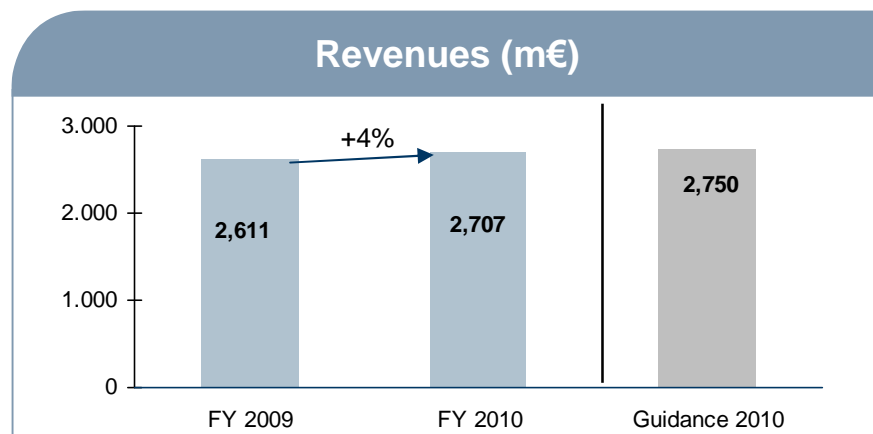
## Dividend

- Significant dividend increase from € 0.93 to € 1.10 per share will be proposed to the AGM

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## Financial Highlights 2010



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## OEM Segment

Order book (in m€)	31/12/2009	31/12/2010	Change
<b>Order book</b>	<b>3,965.1</b>	<b>4,331.5</b>	<b>9%</b>
Commercial business in mUS\$	3,662.3	4,200.5	15%
Military business	1,422.9	1,187.9	-17%

(in m€)	FY 2009	FY 2010	Change
<b>Revenues</b>	<b>1,585.7</b>	<b>1,663.5</b>	<b>5%</b>
Commercial business	1,053.7	1,177.6	12%
Military business	532.0	485.9	-9%

- Strong increase in Commercial business order backlog driven by new orders for GP7000, V2500 and GTF engines
- Underlying US\$ sales in Commercial business increased by 6% (in Q4: spares grew by low teens)
- Military sales decline reflects first impacts of German military budget cuts



## OEM Segment

(in m€)	FY 2009	FY 2010	Change
<b>Revenues</b>	<b>1,585.7</b>	<b>1,663.5</b>	<b>5%</b>
<b>Gross profit</b>	<b>343.6</b>	<b>378.1</b>	<b>10%</b>
<i>Gross profit margin</i>	21.7%	22.7%	
<b>R&amp;D company-funded</b>	<b>109.4</b>	<b>137.0</b>	
<i>R&amp;D capitalization</i>	-12.6	-14.0	
<b>EBIT adj.</b>	<b>229.2</b>	<b>229.6</b>	<b>0%</b>
<i>EBIT adj. margin</i>	14.5%	13.8%	

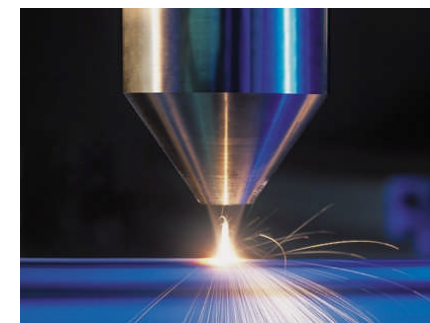
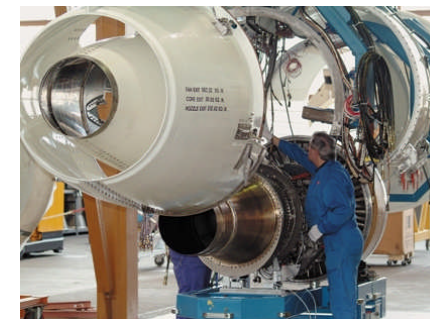
- Improvement of gross profit due to mix effects and Challenge 2010 cost savings
- R&D increase by € 26 m (P&L) driven by PW1000G variants, GENx and GTF technology studies



## Commercial MRO Business

(in mUS\$)	31/12/2009	31/12/2010	Change
<b>Contract volume</b>	<b>6,759.6</b>	<b>6,934.7</b>	<b>3%</b>
<b>Order book</b>	<b>267.7</b>	<b>237.4</b>	<b>-11%</b>
(in m€)	FY 2009	FY 2010	Change
<b>Revenues</b>	<b>1,057.6</b>	<b>1,074.0</b>	<b>2%</b>
<b>Gross profit</b>	<b>114.6</b>	<b>140.7</b>	<b>23%</b>
<i>Gross profit margin</i>	<i>10.8%</i>	<i>13.1%</i>	
<b>EBIT adj.</b>	<b>65.3</b>	<b>80.3</b>	<b>23%</b>
<i>EBIT adj. margin</i>	<i>6.2%</i>	<i>7.5%</i>	

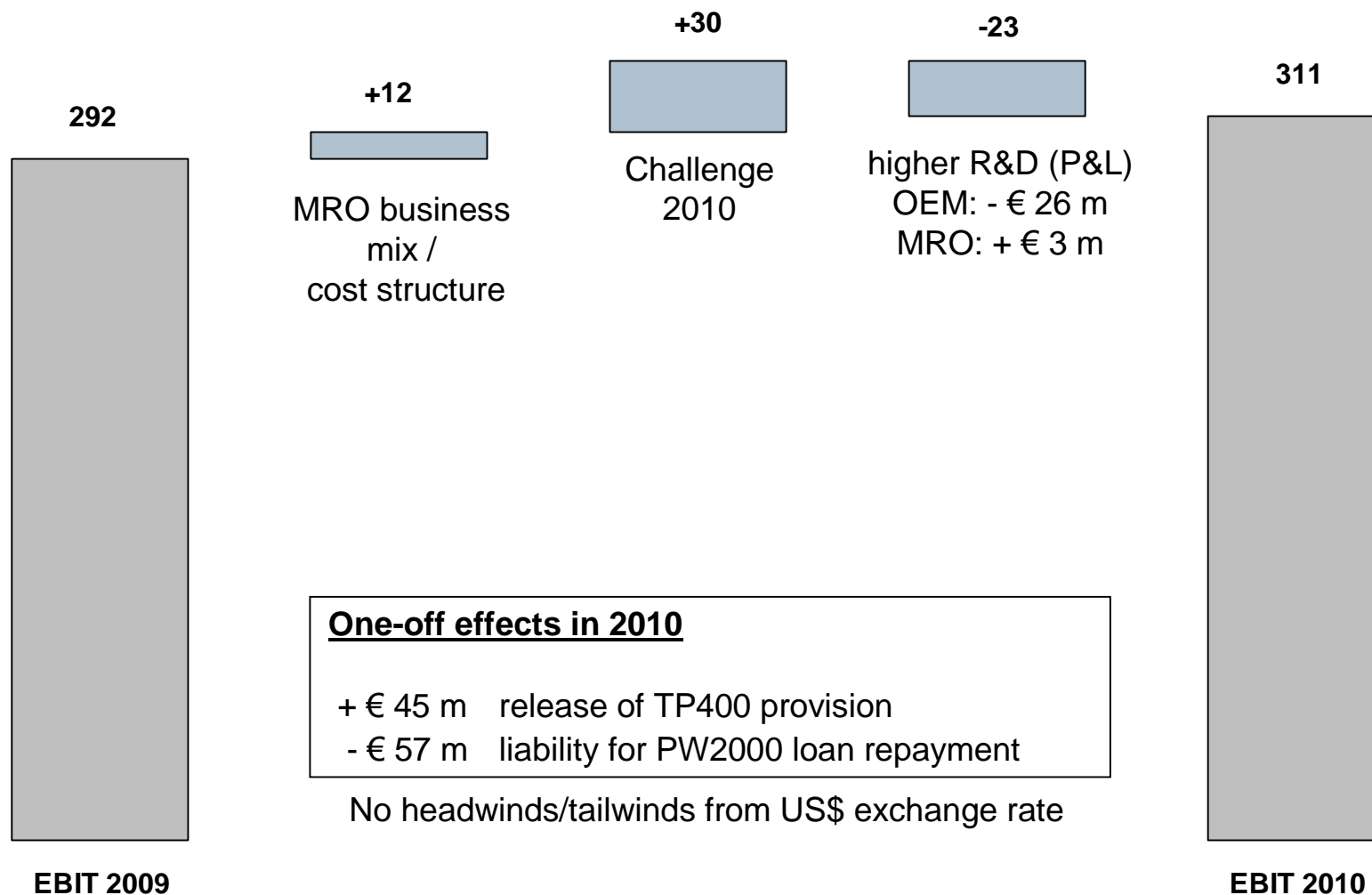
- Underlying US\$ revenues decreased slightly
- Earnings and margin increase due to better mix and cost optimization



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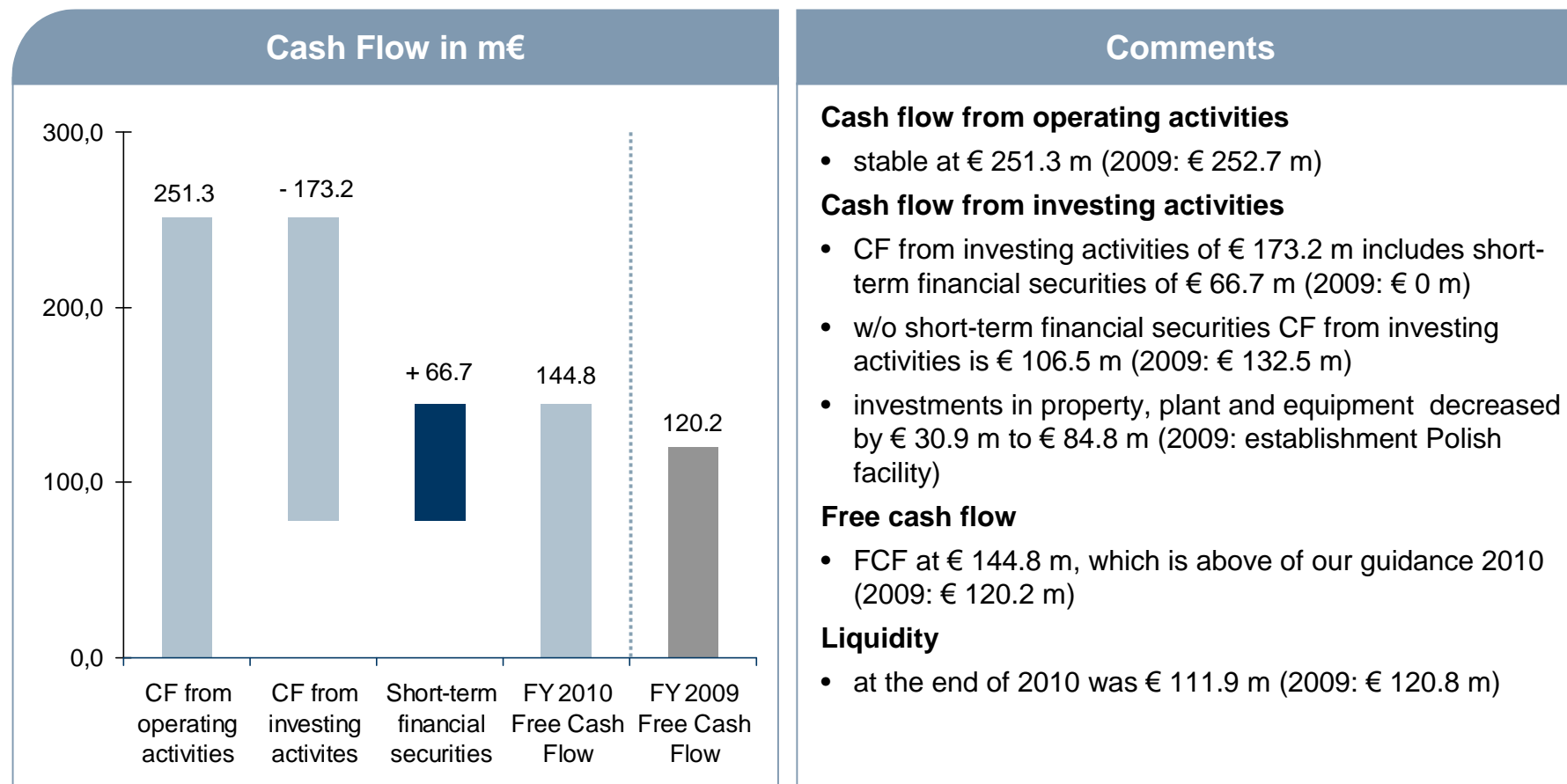
## MTU Group: EBIT Bridge 2009 / 2010 (in m€)



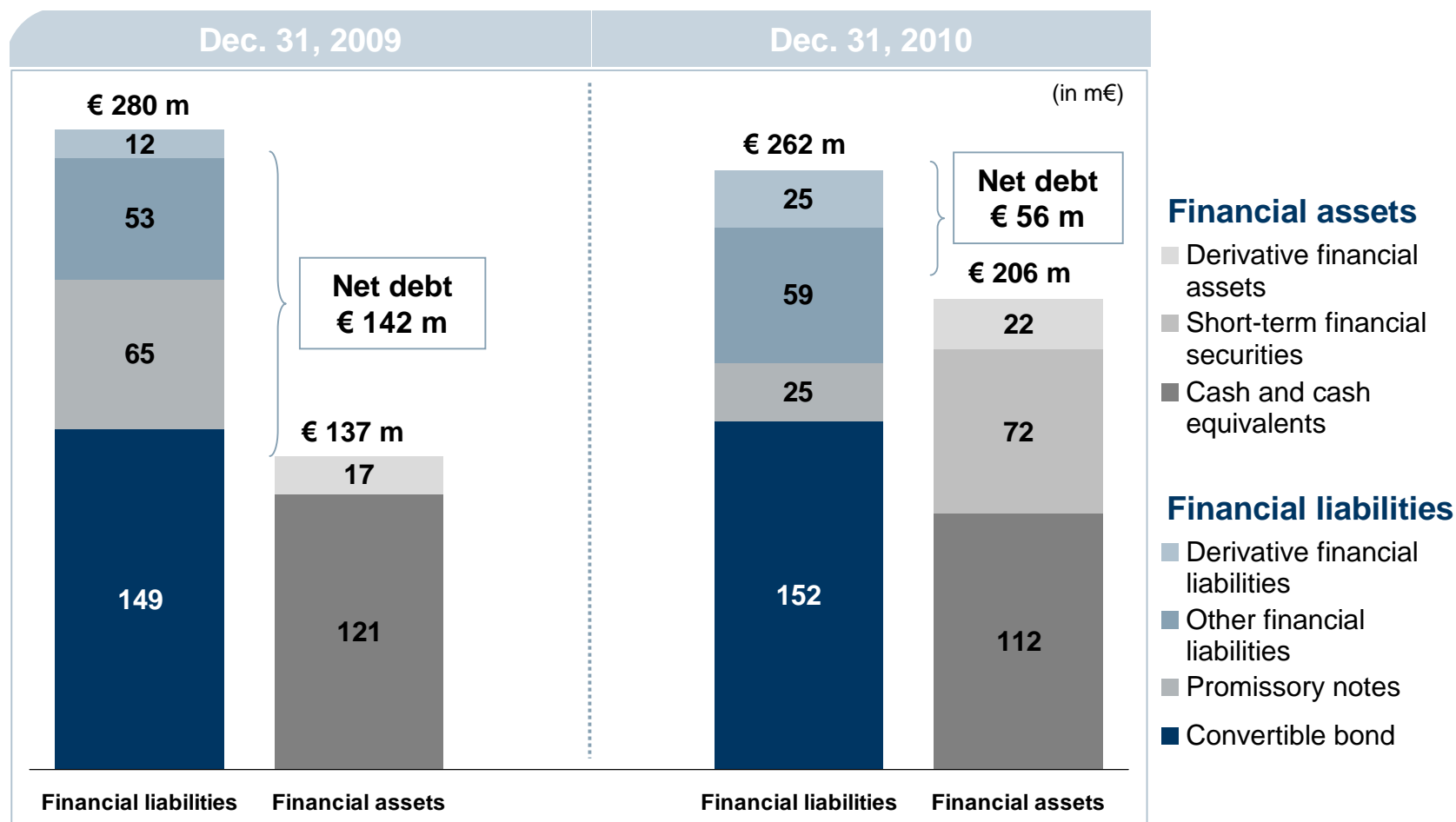
## P&L Highlights

(in m€)	FY 2009	FY 2010	Change
<b>Revenues</b>	<b>2,610.8</b>	<b>2,707.4</b>	<b>4%</b>
<b>EBIT adjusted</b>	<b>292.3</b>	<b>311.3</b>	
PPA depreciation & amortisation	45.4	43.3	
<b>EBIT reported</b>	<b>246.9</b>	<b>268.0</b>	<b>9%</b>
<b>Financial result</b>	<b>-39.4</b>	<b>-40.8</b>	<b>-4%</b>
<i>Interest result</i>	-13.1	-13.6	
<i>Other financial result</i>	-26.3	-27.2	
• <i>US\$/non cash valuations / interests / others</i>	-1.8	-2.7	
• <i>Interests for pension provisions</i>	-24.5	-24.5	
<b>EBT reported</b>	<b>207.5</b>	<b>227.2</b>	<b>9%</b>
<b>Tax</b>	<b>-66.5</b>	<b>-85.0</b>	
<i>Tax rate</i>	32.0%	37.4%	
<b>Net Income reported</b>	<b>141.0</b>	<b>142.2</b>	<b>1%</b>
<b>EPS reported</b>	<b>2.89</b>	<b>2.91</b>	<b>1%</b>
<b>Net Income adjusted</b>	<b>170.5</b>	<b>182.3</b>	<b>7%</b>
<b>EPS adjusted</b>	<b>3.49</b>	<b>3.74</b>	<b>7%</b>

## FY 2010 Free Cash Flow

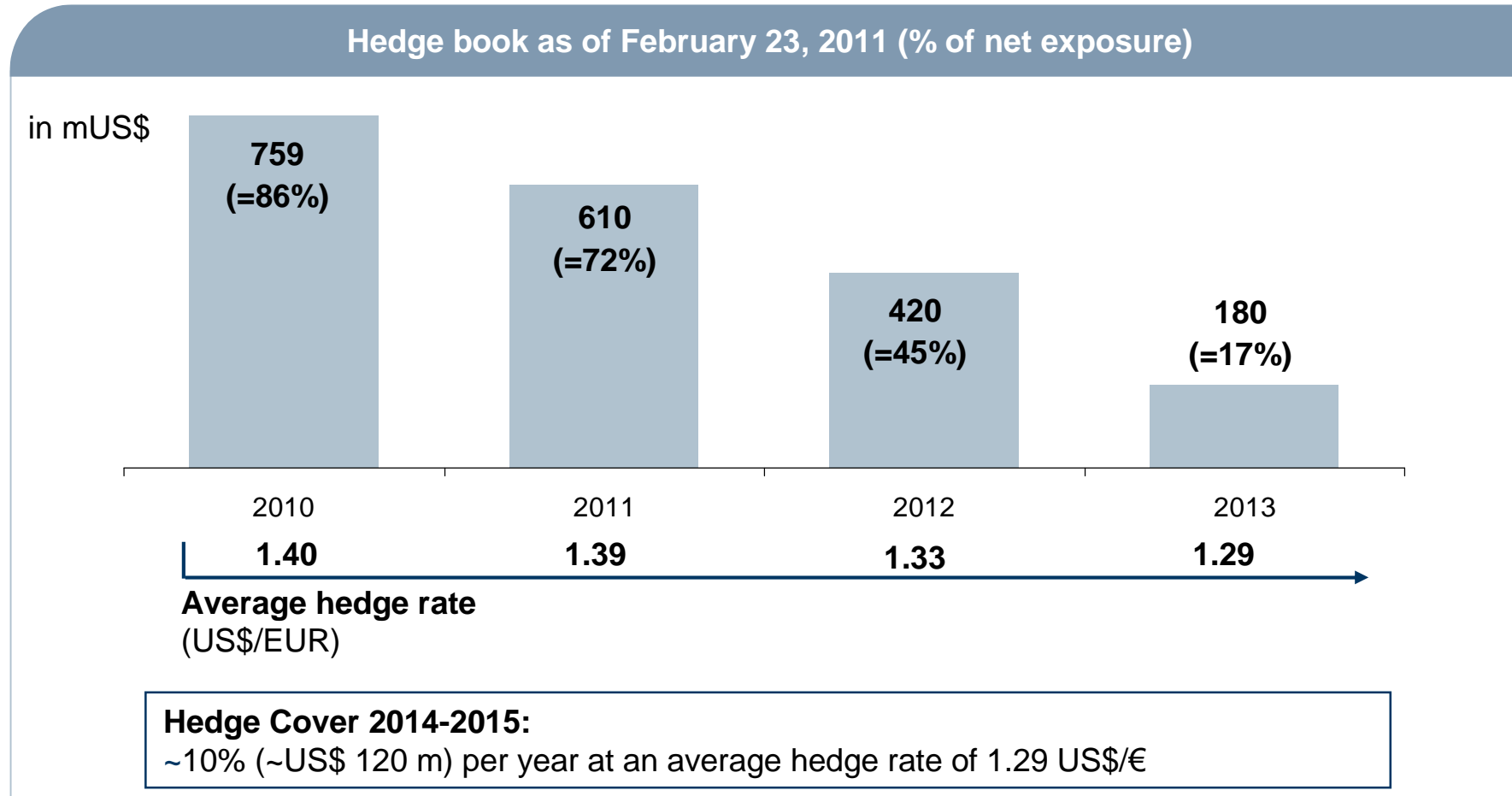


## Net Financial Debt Improved to € 56 m in 2010





## US\$ Exchange Rate / Hedge Portfolio



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- Business Highlights
- Financial Highlights
- Segment Reporting
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- **Guidance**
- Appendix

## Outlook 2011: Another Year of Strong Growth in the Commercial Business

(in m€)	FY 2010	Guidance 2011
<b>Revenues</b>	<b>2,707</b>	<b>7-8% increase</b>
<b>EBIT adj.</b>	<b>311</b>	<b>stable</b>
<b>EBIT adj. margin</b>	<b>11.5%</b>	
<b>Net Income adjusted</b>	<b>182</b>	<b>stable</b>

## Agenda

- Business Highlights
- Financial Highlights
- Segment Reporting
- Other Financials
- Guidance
- **Appendix**

## Profit & Loss

(in m€)	Q4 2009	Q4 2010	Change	FY 2009	FY 2010	Change
<b>Revenues</b>	<b>655.9</b>	<b>715.1</b>	<b>9%</b>	<b>2,610.8</b>	<b>2,707.4</b>	<b>4%</b>
Total cost of sales	-523.5	-566.3	-8%	-2,152.2	-2,184.5	-2%
<b>Gross profit</b>	<b>132.4</b>	<b>148.8</b>	<b>12%</b>	<b>458.6</b>	<b>522.9</b>	<b>14%</b>
<i>Gross profit margin</i>	20.2%	20.8%		17.6%	19.3%	
R&D company funded (acc. P&L)	-34.1	-38.6		-105.6	-129.0	
SG&A	-32.9	-39.3		-117.0	-132.0	
Other operating income (expense)	5.0	3.6		10.9	6.1	
<b>EBIT reported</b>	<b>70.4</b>	<b>74.5</b>	<b>6%</b>	<b>246.9</b>	<b>268.0</b>	<b>9%</b>
PPA depreciation & amortisation	11.1	10.7		45.4	43.3	
<b>EBIT adjusted</b>	<b>81.5</b>	<b>85.2</b>	<b>5%</b>	<b>292.3</b>	<b>311.3</b>	<b>7%</b>
Financial result	-7.9	1.3		-39.4	-40.8	
<b>Profit before tax (EBT)</b>	<b>62.5</b>	<b>75.8</b>	<b>21%</b>	<b>207.5</b>	<b>227.2</b>	<b>9%</b>
Taxes	-14.9	-33.2		-66.5	-85.0	-28%
<b>Net Income</b>	<b>47.6</b>	<b>42.6</b>	<b>-11%</b>	<b>141.0</b>	<b>142.2</b>	<b>1%</b>
<b>EPS</b>	<b>0.98</b>	<b>0.87</b>		<b>2.89</b>	<b>2.91</b>	

## Research & Development

(in m€)	Q4 2009	Q4 2010	Change	FY 2009	FY 2010	Change
<b>Company expensed R&amp;D</b>	<b>43.0</b>	<b>44.3</b>	<b>3%</b>	<b>123.0</b>	<b>148.1</b>	<b>20%</b>
OEM	39.2	41.6		109.4	137.0	
MRO	3.8	2.7		13.6	11.1	
<b>Capitalisation of R&amp;D</b>	<b>-8.9</b>	<b>-5.7</b>		<b>-17.4</b>	<b>-19.1</b>	
OEM	-7.2	-3.2		-12.6	-14.0	
MRO	-1.7	-2.5		-4.8	-5.1	
<b>R&amp;D according to IFRS</b>	<b>34.1</b>	<b>38.6</b>	<b>13%</b>	<b>105.6</b>	<b>129.0</b>	<b>22%</b>
Customer funded R&D	38.2	32.4	-15%	107.2	90.6	-15%
<b>Total R&amp;D</b>	<b>81.2</b>	<b>76.7</b>	<b>-6%</b>	<b>230.2</b>	<b>238.7</b>	<b>4%</b>

## Cash Flow

in m€	Q4 2009	Q4 2010	Change	FY 2009	FY 2010	Change
<b>Net Income IFRS</b>	<b>47.6</b>	<b>42.6</b>	<b>-11%</b>	<b>141.0</b>	<b>142.2</b>	<b>1%</b>
Depreciation and amortization	33.8	35.2		125.3	130.9	
Change in provisions *)	-27.4	-66.7		-36.8	-59.4	
Change in Working Capital	19.1	31.9		33.9	7.6	
Taxes	1.2	-0.8		7.5	27.6	
Interest, derivatives, others	-1.4	2.0		-18.2	2.4	
<b>Cash flow from operating activities</b>	<b>72.9</b>	<b>44.2</b>	<b>-39%</b>	<b>252.7</b>	<b>251.3</b>	<b>-1%</b>
<b>Cash Flow from investing activities</b>	<b>-48.4</b>	<b>-5.6</b>		<b>-132.5</b>	<b>-173.2</b>	
<i>Short term financial securities</i>		-36.8			66.7	
<b>Free cash flow</b>	<b>24.5</b>	<b>1.8</b>	<b>-93%</b>	<b>120.2</b>	<b>144.8</b>	<b>21%</b>
<i>Short term financial securities</i>		36.8			-66.7	
<b>Cash flow from financing activities</b>	<b>-13.1</b>	<b>-16.9</b>	<b>-29%</b>	<b>-68.9</b>	<b>-90.6</b>	<b>-31%</b>
Effect of exchange rate on cash and cash equivalents	3.6	1.7		-0.4	3.6	
Change in cash and cash equivalents	15.0	23.4		50.9	-8.9	

\*) includes pension provisions and other provisions

## Working Capital

(in m€)	31.12.2009	31.12.2010	Change	Change in %
Gross inventories	648.7	701.0	-52.3	
Prepayments	-607.0	-666.3	59.3	
Receivables	525.1	707.9	-182.8	
Payables	-419.2	-602.6	183.4	
<b>Working Capital</b>	<b>147.6</b>	<b>140.0</b>	<b>7.6</b>	<b>5%</b>



## PPA Depreciation / Amortization (in m€)

Total depreciation / amortisation	Q4 2009	Q4 2010	FY 2009	FY 2010
<b>MTU total</b>	<b>34.9</b>	<b>35.2</b>	<b>126.4</b>	<b>130.9</b>
OEM	27.5	27.5	97.0	100.8
MRO	7.4	7.7	29.4	30.1

PPA depreciation / amortisation	Q4 2009	Q4 2010	FY 2009	FY 2010
<b>MTU total</b>	<b>11.1</b>	<b>10.7</b>	<b>45.4</b>	<b>43.3</b>
OEM	10.0	9.7	40.7	39.3
MRO	1.1	1.0	4.7	4.0

Depreciation / amortisation w/o PPA	Q4 2009	Q4 2010	FY 2009	FY 2010
<b>MTU total</b>	<b>23.8</b>	<b>24.5</b>	<b>81.0</b>	<b>87.6</b>
OEM	17.5	17.8	56.3	61.5
MRO	6.3	6.7	24.7	26.1

## Guidance for PPA Depreciation / Amortization (in m€)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
84.7	67.4	54.6	82.7 <sup>*)</sup>	45.4	43.3	42.4	37.9	37.0	24.2

<sup>\*)</sup> includes extraordinary write-off GE old programs 35.2m€

## Net Income Adjusted – Years 2006 - 2010

(in m€)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>Revenues</b>	<b>2,416.2</b>	<b>2,575.9</b>	<b>2,724.3</b>	<b>2,610.8</b>	<b>2,707.4</b>
<b>EBIT reported</b>	<b>183.8</b>	<b>243.3</b>	<b>248.3</b>	<b>246.9</b>	<b>268.0</b>
<i>Adjustments</i>	<i>-17.4</i>				
<i>Extraordinary write-offs</i>	<i>3.9</i>	<i>14.7</i>			
<i>PPA D&amp;A</i>	<i>67.4</i>	<i>54.6</i>	<i>82.7*)</i>	<i>45.4</i>	<i>43.3</i>
<b>EBIT adj.</b>	<b>237.7</b>	<b>312.6</b>	<b>331.0</b>	<b>292.3</b>	<b>311.3</b>
<b>Financial result</b>	<b>-33.3</b>	<b>-63.9</b>	<b>-50.5</b>	<b>-39.4</b>	<b>-40.8</b>
<b>EBT adj.</b>	<b>204.4</b>	<b>248.7</b>	<b>280.5</b>	<b>252.9</b>	<b>270.5</b>
Tax	-82.6	-100.5	91.4	-82.4	-88.2
<i>Tax rate</i>	<i>40.4%</i>	<i>40.4%</i>	<i>32.6%</i>	<i>32.6%</i>	<i>32.6%</i>
<b>Net Income adj.</b>	<b>121.8</b>	<b>148.2</b>	<b>189.1</b>	<b>170.5</b>	<b>182.3</b>
<b>Aver. number of shares</b>	<b>54.2mn</b>	<b>52.3mn</b>	<b>49.4mn</b>	<b>48.9mn</b>	<b>48.8mn</b>
<b>EPS adj. in €</b>	<b>2.25</b>	<b>2.83</b>	<b>3.83</b>	<b>3.49</b>	<b>3.74</b>

\*) includes extraordinary write-off GE old programs 35.2m€

## Cautionary Note Regarding Forward-Looking Statements

Certain of the statements contained herein may be statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements that are forward-looking by reason of context, the words "may," "will," "should," "expect," "plan," "intend," "anticipate," "forecast," "believe," "estimate," "predict," "potential," or "continue" and similar expressions identify forward-looking statements.

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