Investor & Analyst Day 2012

MTU Aero Engines

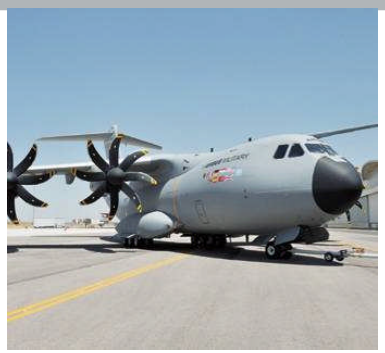
Munich, 27. November 2012

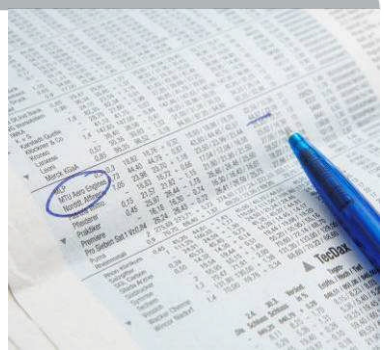
Agenda I – MTU Investor and Analyst Day 2012

Time	Agenda	Speaker
12:00 – 12:05	Welcome	Peter Kameritsch VP Investor Relations
12:05 – 12:30	Market Situation / Milestones / Challenges	Egon Behle, CEO
12:30 – 13:00	Commerical Business Growth and Transition	Dr. Anton Binder SVP Commercial Programs
13:00 – 13:30	Challenges of MTU's supply chain	Dr. Rainer Martens, COO
13:30 – 14:30	Lunch Break	
14:30 – 15:30	Shop Tour – Blisk Hall, GenX Production, Additive Manufacturing	
15:30 – 15:45	Coffee Break	

Agenda II – MTU Investor and Analyst Day 2012

Time	Agenda	Speaker
15:45 – 16:15	The GTF – a Game Changing Concept	Dr. Jörg Henne SVP Engineering and Technology
16:15 – 16:45	Current Trends in MRO Market	Leo Koppers SVP Marketing and Sales
16:45 – 17:15	Financials and Summary Wrap-up	Reiner Winkler, CFO
19:00	Optional: Dinner Bustransfer from MTU to restaurant Ristorante Acetaia Nymphenburger Str. 215, Munich	





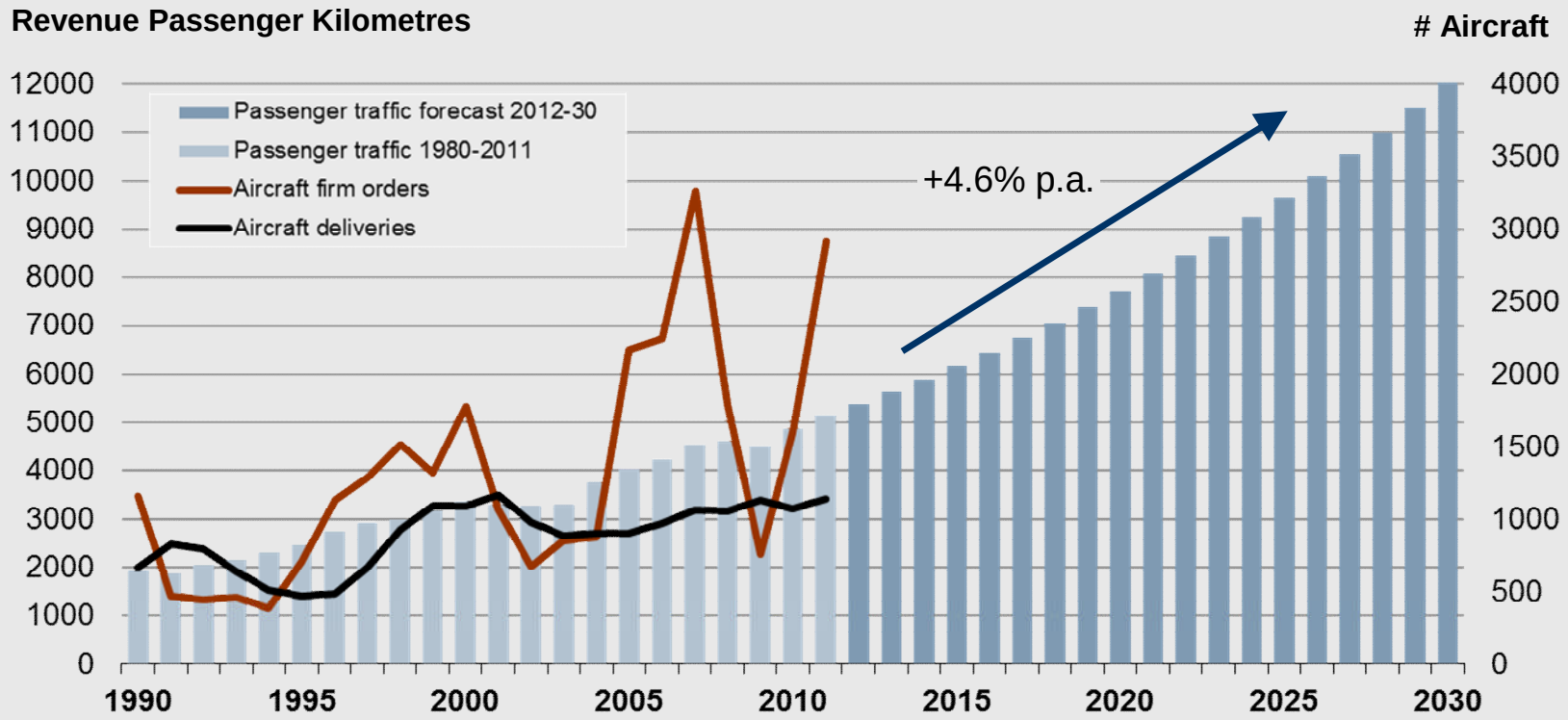
Market Situation/ Milestones/ Challenges

Egon Behle, CEO

Munich, 27. November 2012

Outline of Future Air Traffic

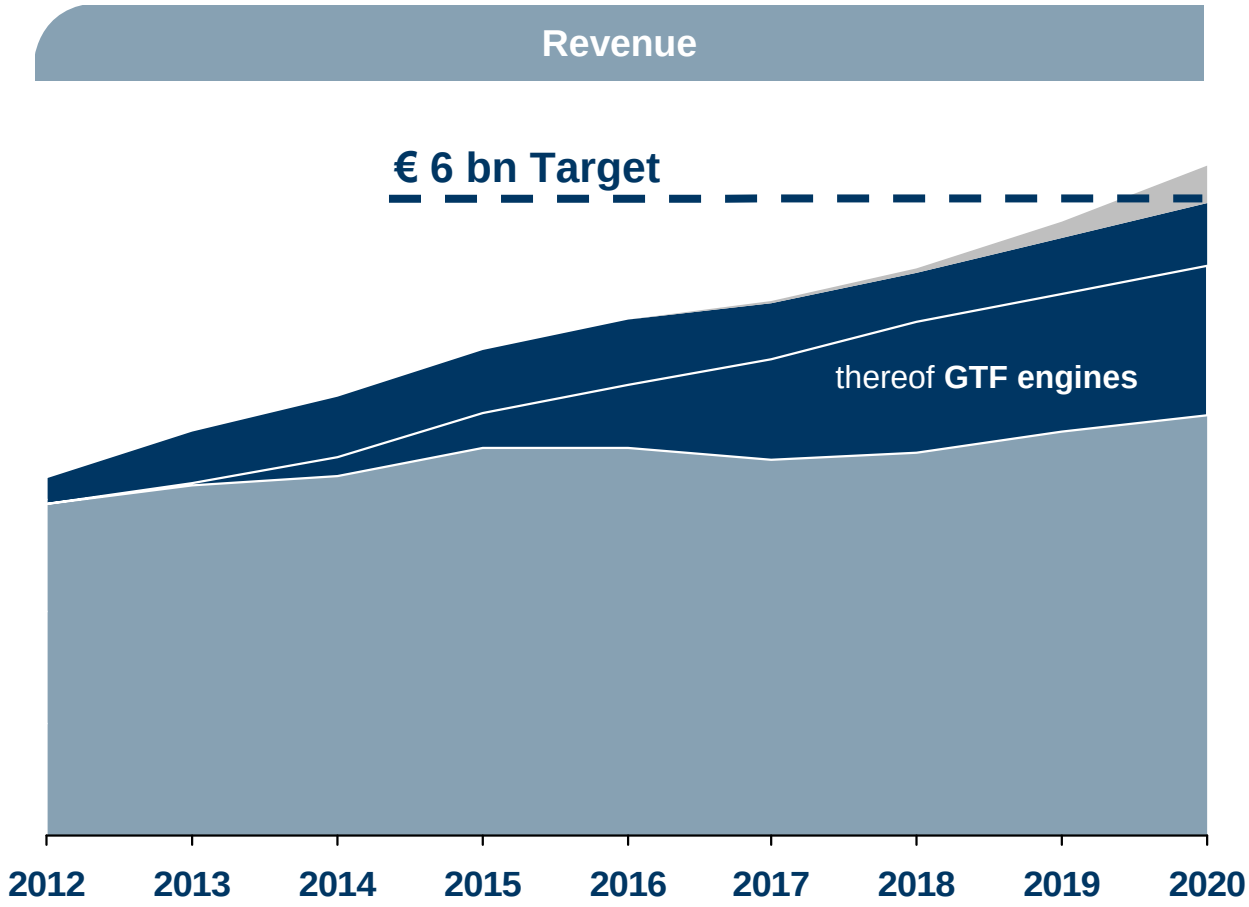
Expected growth in passenger traffic



Source: MTU/ASM June 2012, excl. com. helicopters, com. UAVs

Airbus foresees the need for some 27,300 passenger airliners for 2012-2031

MTU Revenues: Strategic Target € 6 billion until 2020

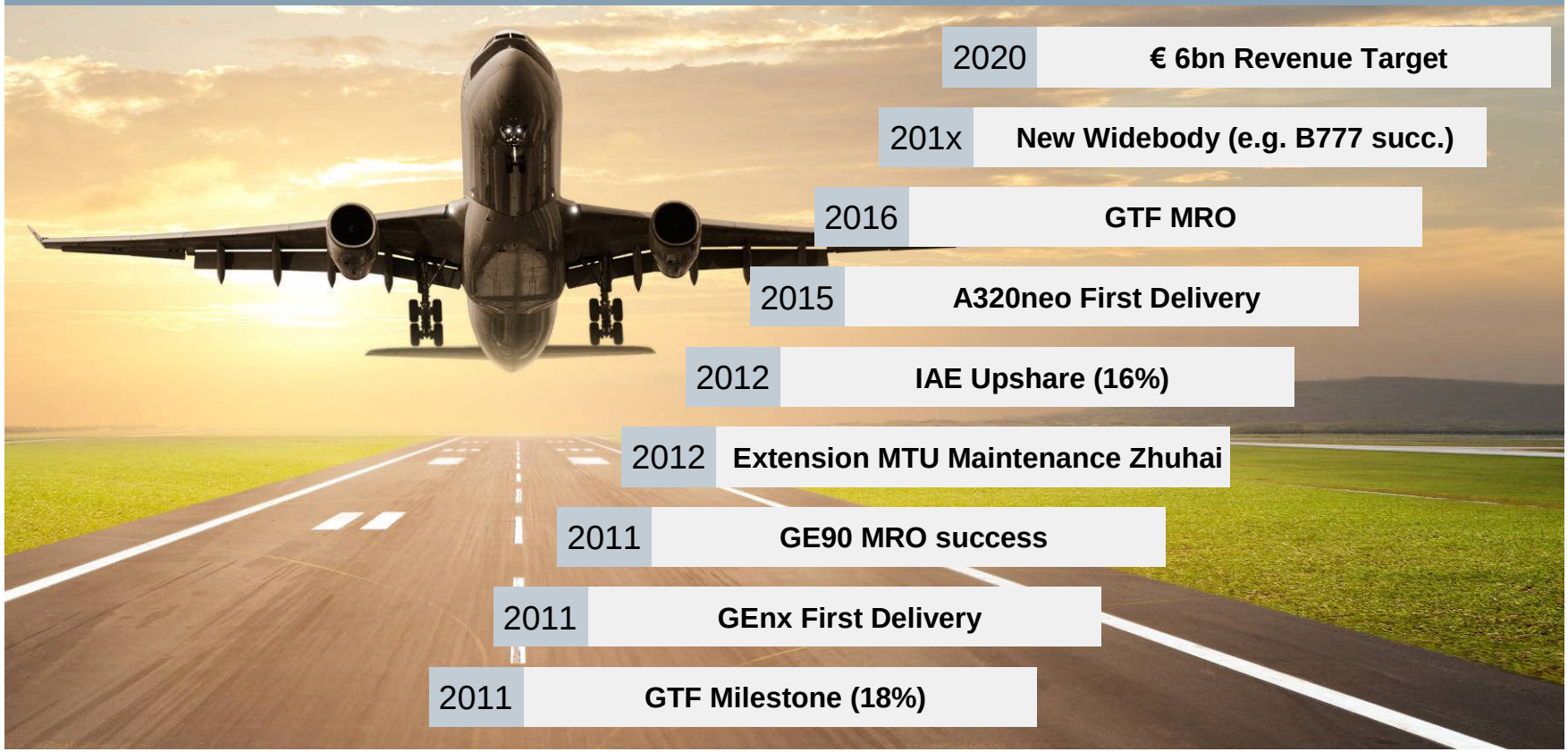


Growth Drivers	
Identified new opp.	Next WB, H/C
New business (contracted)	Upshare V2500, GEnx, GE90 MRO GTF (A320 NEO, MS-21, CSeries, MRJ)
Existing business	V2500 GP7000 CF6-50/80 PW2000 LM-Series CFM56 u. CF34 MRO EJ200 + various military Programs

Source: Strategic Planning

MTU on track for 2020

Milestones



2020	€ 6bn Revenue Target
201x	New Widebody (e.g. B777 succ.)
2016	GTF MRO
2015	A320neo First Delivery
2012	IAE Upshare (16%)
2012	Extension MTU Maintenance Zhuhai
2011	GE90 MRO success
2011	GEnx First Delivery
2011	GTF Milestone (18%)

Commercial OEM Business

- Over 2,900 GTF engines on firm order or optioned
- Last Bolt Ceremony of PW1100G (A320neo) was Oct. 26th, first engine run planned for Nov. 28st
- PW1500G (CSeries) on track for certification by end of 2012
- Preparation of GTF engine production ramp-up running according to plan
- Transition of IAE-Upshare parts running well
- Strong series sales according to guidance expected

Military Business

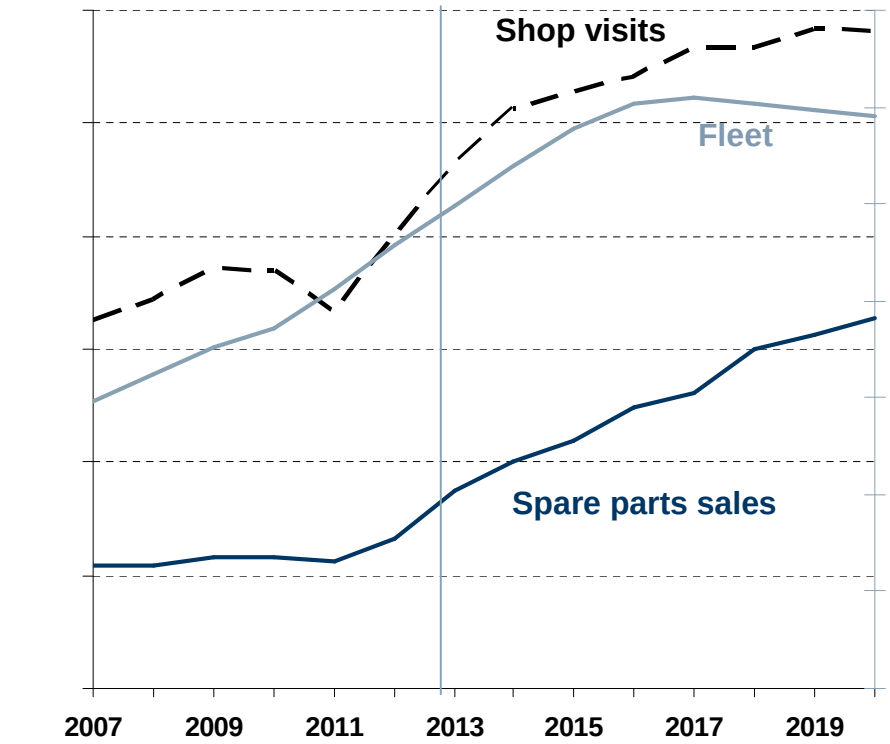
- EJ200 export campaigns together with Eurofighter currently running in UAE (60 a/c), Oman (12 a/c) and Malaysia (18 a/c)
- EJ200 sales initiative in Korea/Indonesia (120/50 a/c) for indigenous fighter aircraft
- 1st A400M series aircraft to be delivered to France in Q2/2013
- Military overhaul business running better than expected
- Guidance 2012 of 5% growth confirmed

Commercial MRO Business

- GE90 ramp-up successful (4th customer Aerologic, first shop visits successfully performed)
- Induction buffer volatile but on high level
- Contract volume very positive due to contract wins over € 1bn in 2012
- MRO expected to reach upper area of guidance range

V2500 Aftermarket Outlook – It's Coming

Fleet, shop visits, spare parts sales

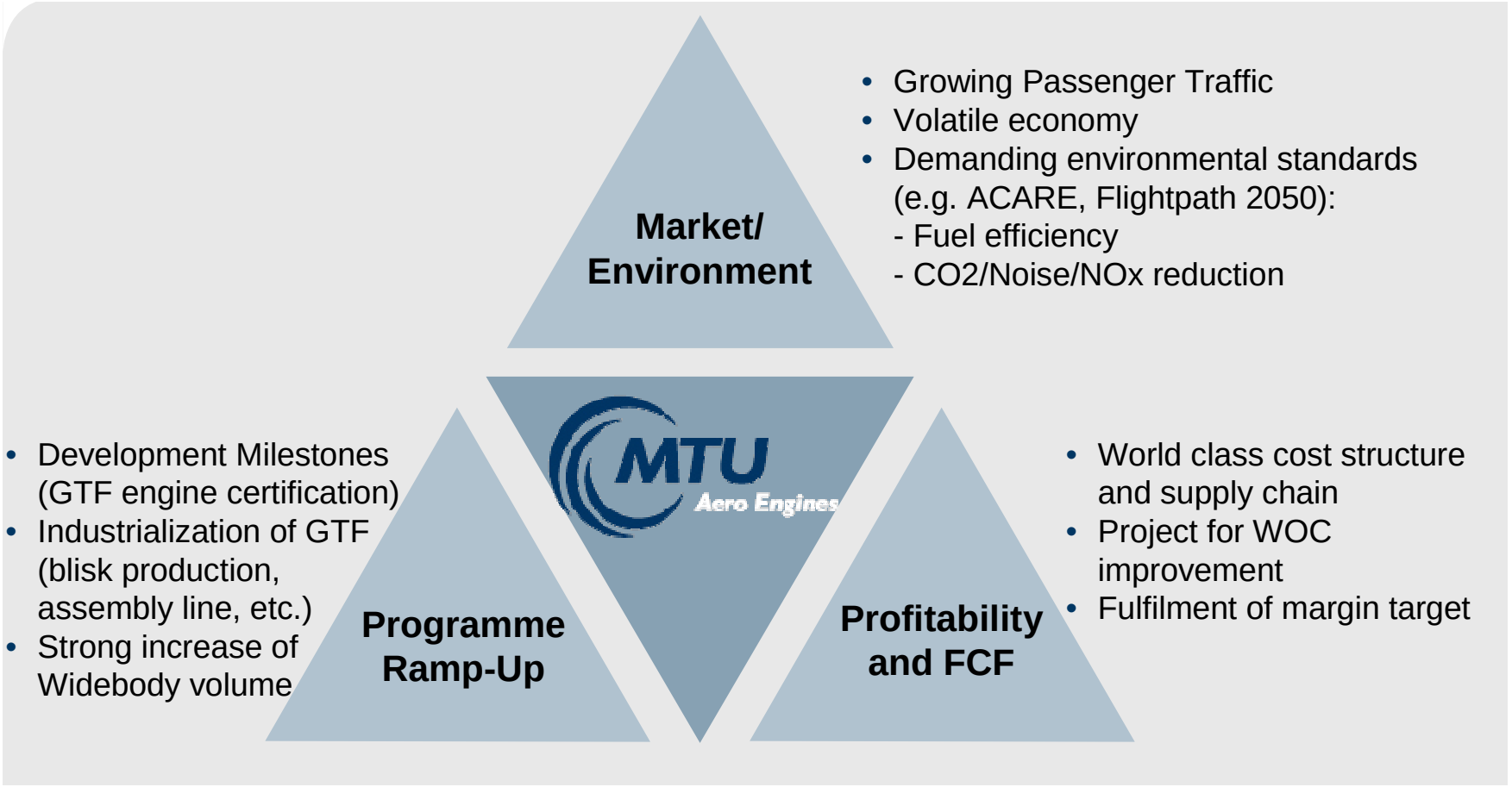


Source: MTU/ASM June 2012 – rough projection

Remarks

- Shop visit delaying strategies of airlines (e.g. engine wash, engine swap) have come to an end
- Reliability improvements of V2500 have further delayed shop visits
- Number of V2500 shop visits in total increased from 2011 to 2012 by 14%
- Additional revenues of ~ € 250m per year from 2013 onwards through IAE-Upshare
- Growing EBIT contribution

Upcoming Challenges for MTU





Thank you for your attention!

Commercial Engines - Growth and Transition

Anton Binder, SVP Commercial Business

Munich, 27. November 2012

Managing Growth and Transition

Commercial Engines – Key Programs of Transition

Narrowbody

- V2500 Program (Airbus A320ceo)
- GTF Engine Programs
  - Mitsubishi MRJ,
  - Bombardier CSeries
  - Airbus A320neo

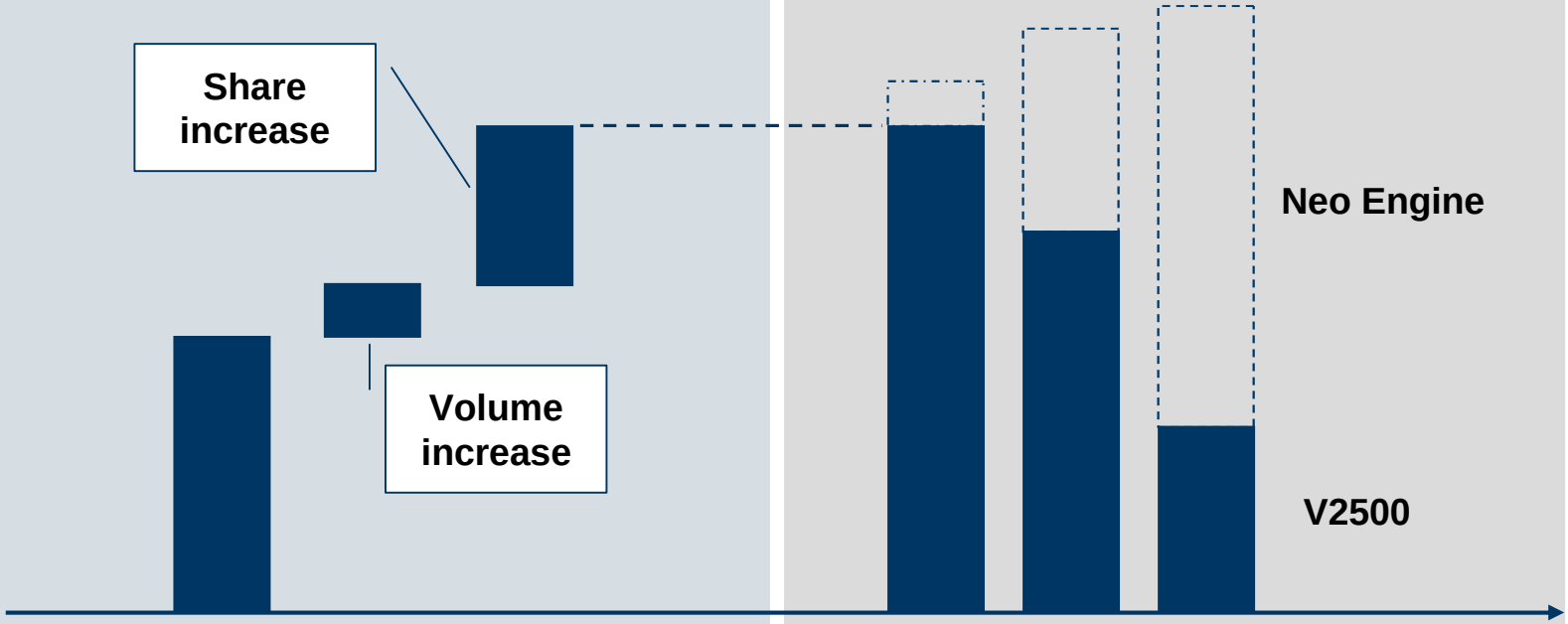
Widebody

- GP7000 (Airbus A380)
- GEnx Program (Boeing B787, B747-8)

Commercial Engines – Series Revenues V2500

- Volume Increase – same parts
- Share Increase – new parts

- Transition to Neo



Over 2,900 GTF Engines Firm and Option Orders

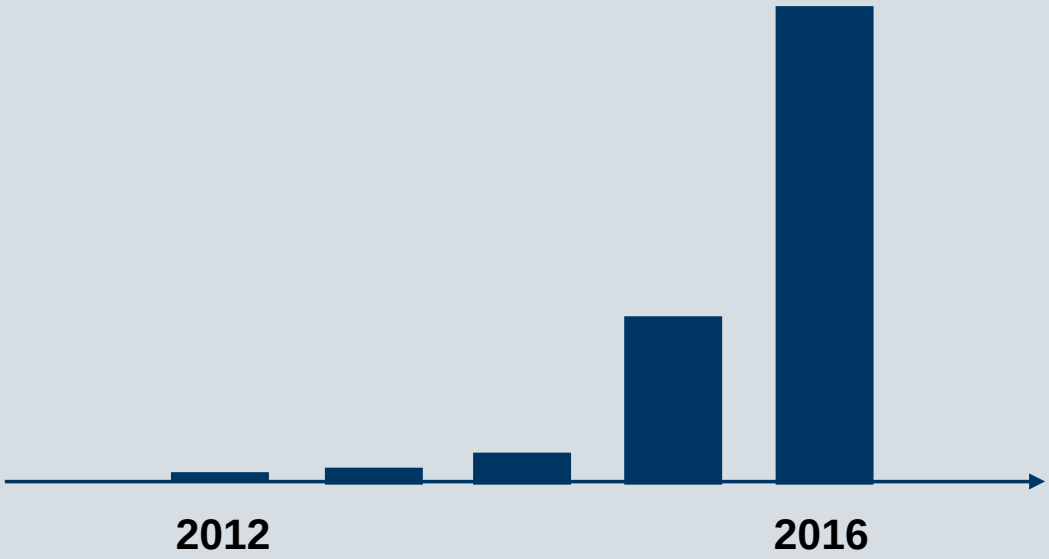
PW1100G/ A320neo	PW1200G/ MRJ	PW1400G/ MS-21	PW1500G/ CSeries
			
Lufthansa IndiGo, CIT, ILFC ALAFCO, FLY SMART go AIR jetBlue, QATAR AIRWAYS TransAsia CEBU PACIFIC AIR.COM norwegian.no	ANA TRANS STATES HOLDINGS JAL SkyWest AIRLINES	CRECOM nordwind airlines, VEB LEASING Ilyushin Finance Co *Rostekhnologii*	Lufthansa Lease Corporation International, REPUBLIC AIRLINES MALMÖ AVIATION atlasjet, PrivatAir Ilyushin Finance Co, airBaltic Undisclosed (4)

MTU's Involvement in the GTF Engine Programs

	MRJ	CSeries	A320neo
MTU Share	15%	17%	18%
Products	LPT 4 HPC	LPT 4 HPC Brush Seals	LPT 4 HPC Brush Seals 2 Nickel Blisk Assy &Test Share
Aftermarket	Prog. share	Prog. share	Prog. share

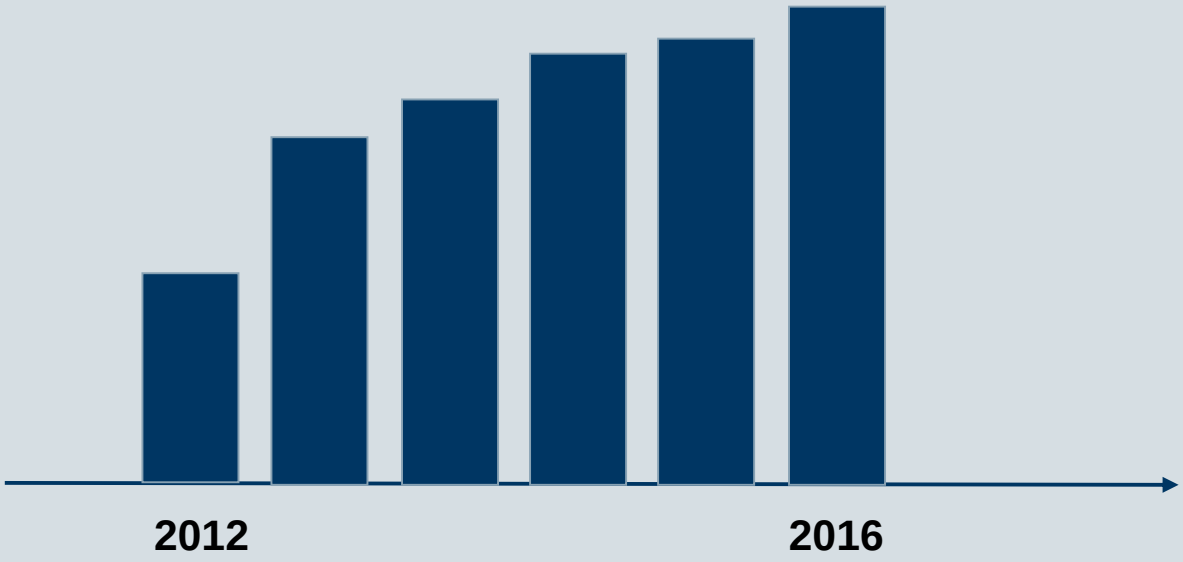
Commercial Engines – Series Revenues for GTF Engine Platforms

- **Sales volume increase (2016 comparable to best V2500 year)**
- **New workscope for 3 GTF engine platforms**



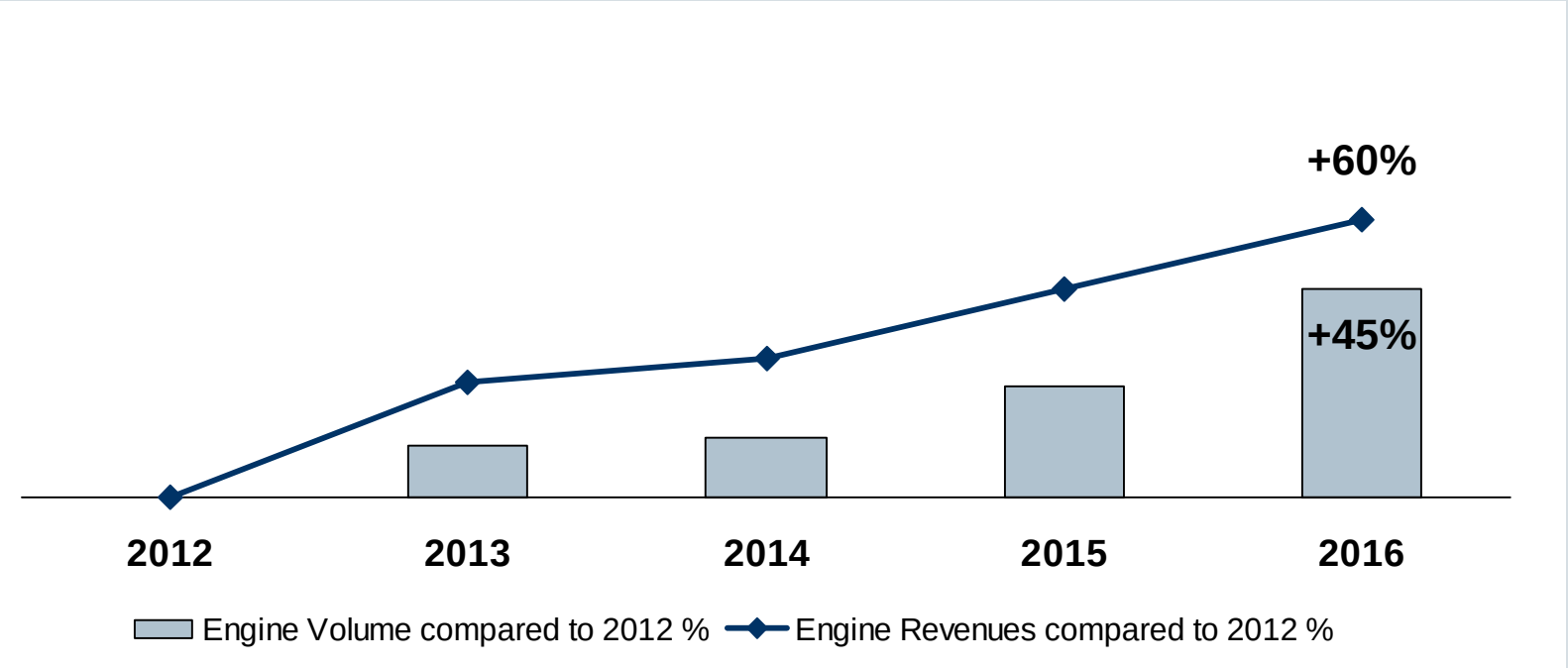
Commercial Engines – Series Revenues of Widebody Engines (GP7000, GEnx)

- **Market share each program > 50%**
- **Sales volume more than doubles**
- **Ramp up of 2 young engine platforms**



Commercial Engine Business – A Growth Path
Engine Volumes & Revenues (incl. IAE upshare)

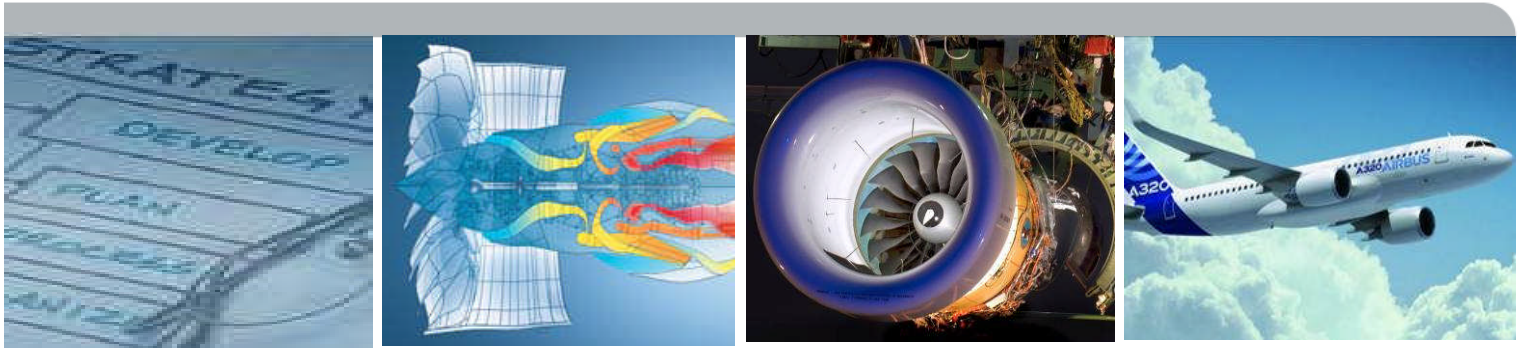
40% of the delivered engine volume in 2016 is from new engines (GTFs)



Commercial Engines –
Focus is execution excellence…

- Stay Close to the Market
- Keep a Tight Look on Supply Chain
- Manage Working Capital
- Keep R&D Efforts on Track

Thank you for your attention!

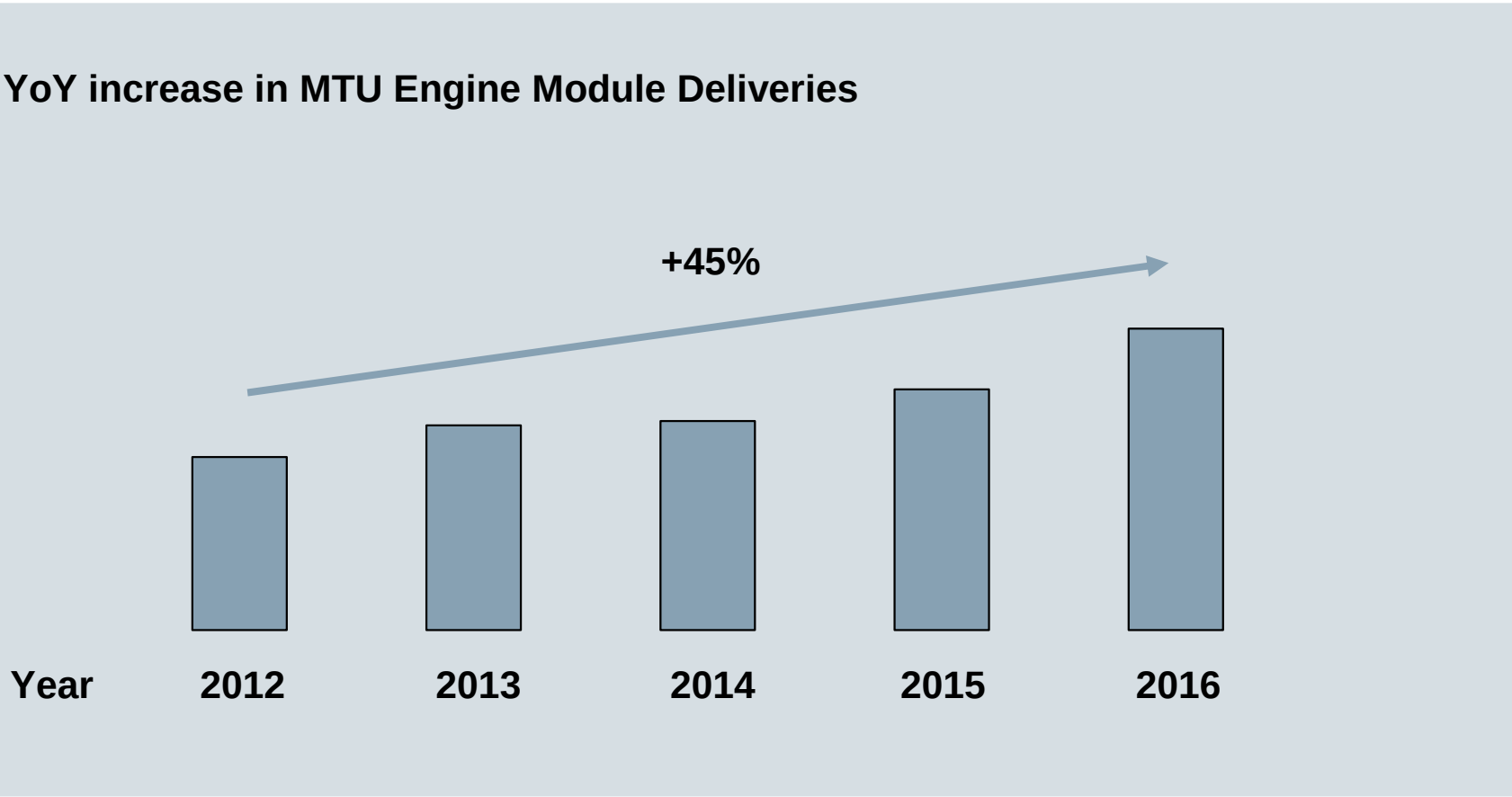


MTU Supply Chain Strategy

Dr. Rainer Martens, COO

Munich, 27. November 2012

Airbus and Boeing Planned Rates Mean +40% Deliveries in 2011-14 MTU OEM Production Increases Simultaneously

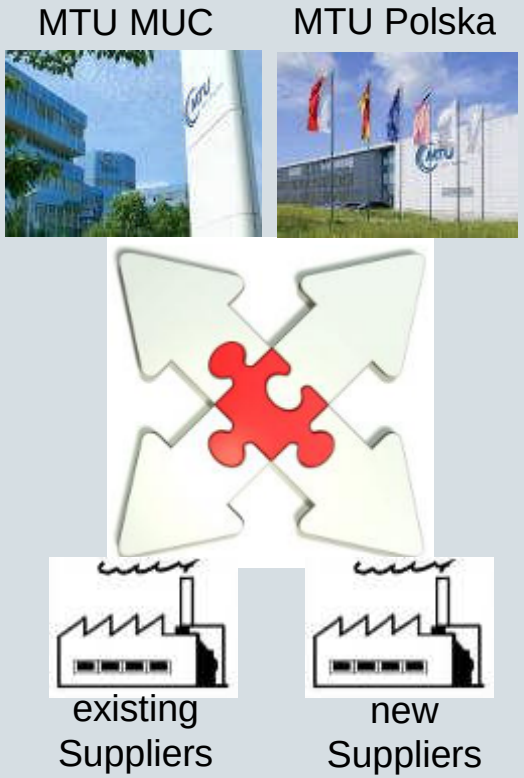


Challenging Increase in Business – but no Compromise on ….

- **Airworthiness**
- **On time delivery**
- **Flexibility**
- **Competitiveness**

Supply Chain – Roadmap for Ramp up

- In house manufacturing concentrating on important and complex products
  - high degree of automation
  - 3 shift working model with improved worker efficiency and equipment utilization
  - investment in infrastructure
- Consequent utilization of cost advantages in the supply base incl. low cost opportunities
- Dual source strategy on bottleneck products
- Constant and careful management of the internal and external capacity situation.



External Supply Chain Measures

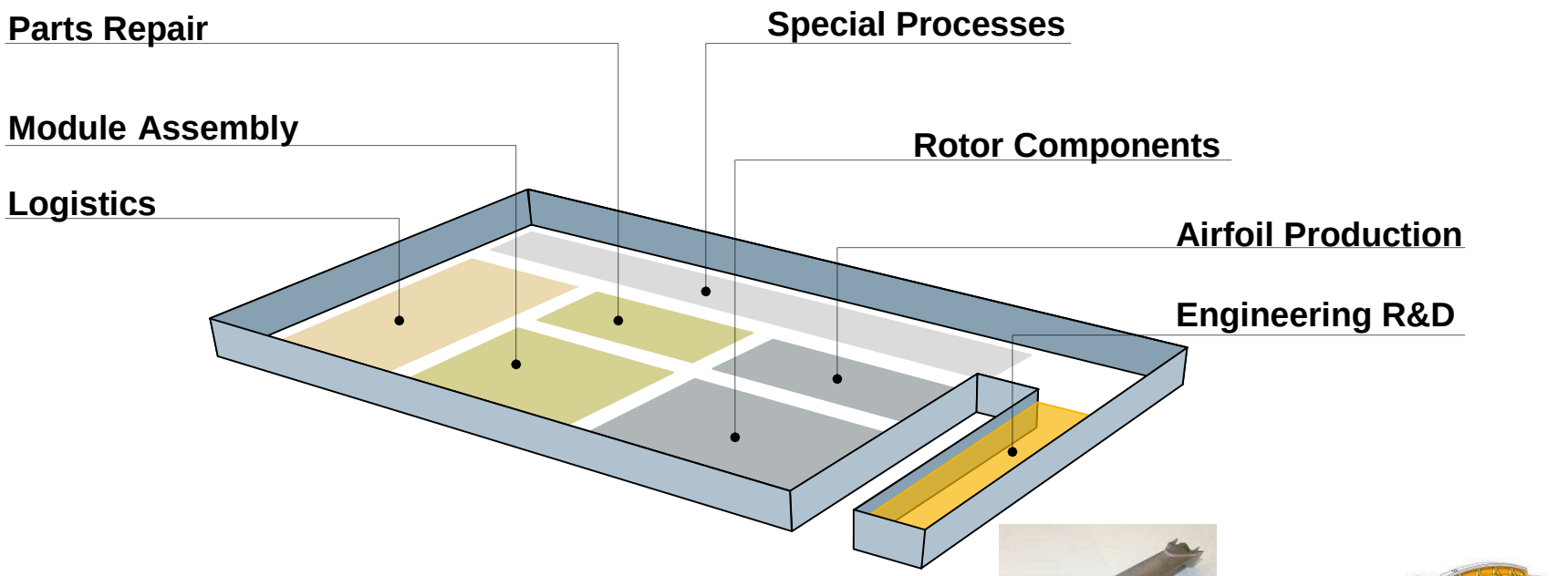
Capacity

- Supplier assessment for A-Supplier
- Development supplier become production supplier
- Double source of critical parts
- Long term contracts for critical materials and components
- On-site representatives in major sourcing regions (US, Mexico, China)
- Ramp up monitoring for A-parts

Competitiveness

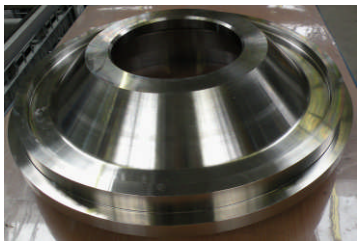
- Concentration of critical parts at strategic suppliers
- Targeting 30% production material procurement volume in low cost countries
- Early supplier involvement in the component design of development programs

Internal Supply Chain – Strategic Investments in MTU Polska



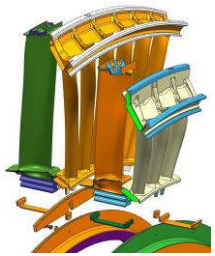
Assembly

Parts Repair



Rotor Components

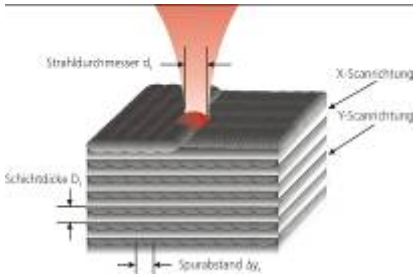
Airfoils



R&D

Internal Supply Chain – Strategic Investments in Main Plant Munich

Additive manufacturing

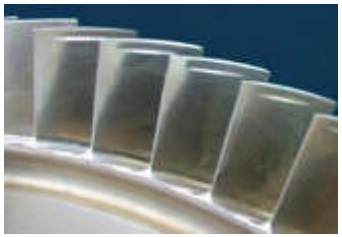


Blisk manufacturing

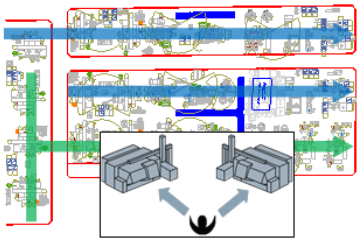
TCF – Hub Strut Case

TCF – Assembly

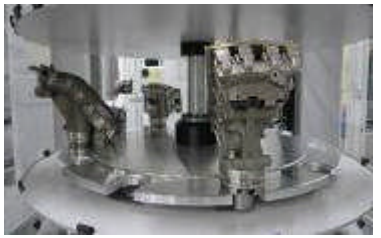
PECM – Ni Blisk mfg.



Advanced rotor mfg.



TCF - Flow Path Hardware



Internal Supply Chain – New Blisk Manufacturing

Key Facts

- Invest € 50 million
- Capacity 3.000 parts p.a.

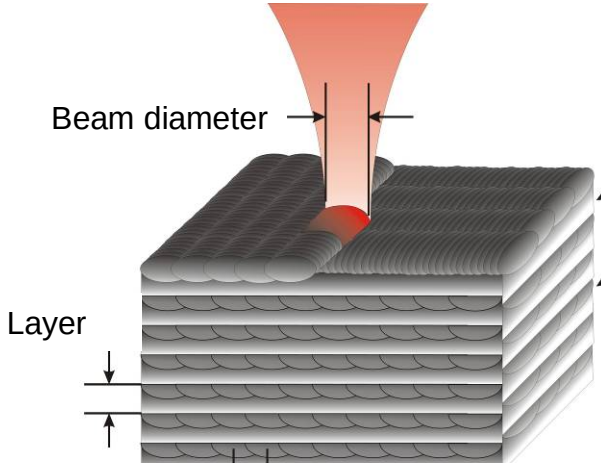
- Improvements
  - Automation increase
  - Lead time reduction
  - Process stability improvement
  - Efficiency gains

New Technology – Additive Manufacturing or Parts out of a „Printer“

Key Facts

- Invest 6 machines
- Capacity 18.000 hours/year

- Improvements
  - High automation
  - Engineering lead time reduction
  - Production lead time reduction
  - Production cost reduction
  - Product weight reduction

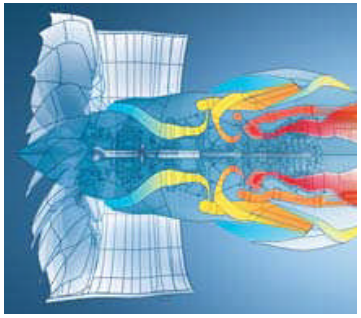
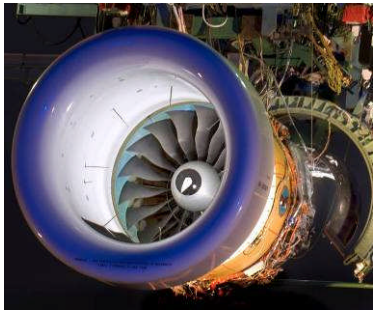


Summary – Ramp up of Business Drives Change in Supply Chain

- ***Restructure*** manufacturing portfolio
- ***Concentrate*** critical & complex parts in Munich
- ***Concentrate*** critical & less complex parts in Poland
- ***Increase*** share of highly automated manufacturing
- ***Introduce*** new manufacturing technologies
- ***Leverage up*** capacity by double sourcing of critical parts
- ***Increase*** low cost sourcing

Improve cost & technology

Strengthen competitive position of MTU

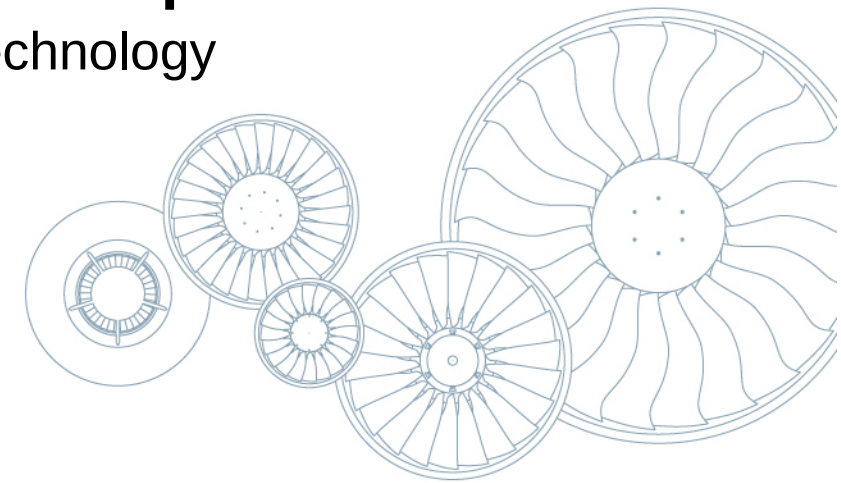




Thank you for your attention!

The GTF - A Game Changing Concept

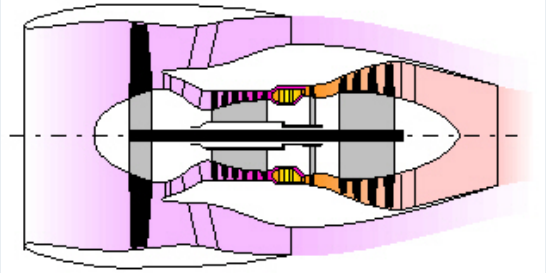
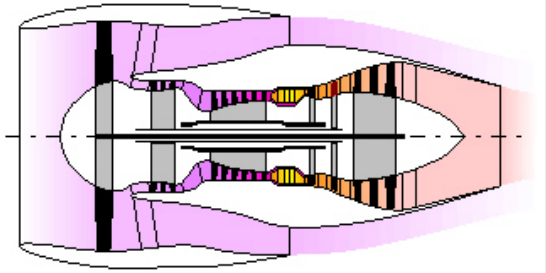
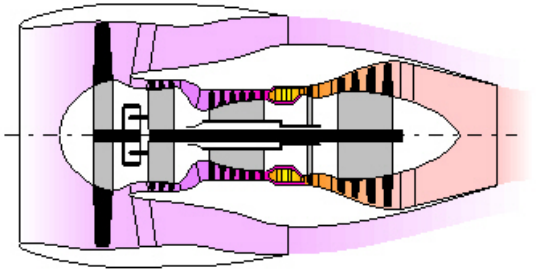
Dr. Jörg Henne, SVP Engineering & Technology

Munich, 27. November 2012



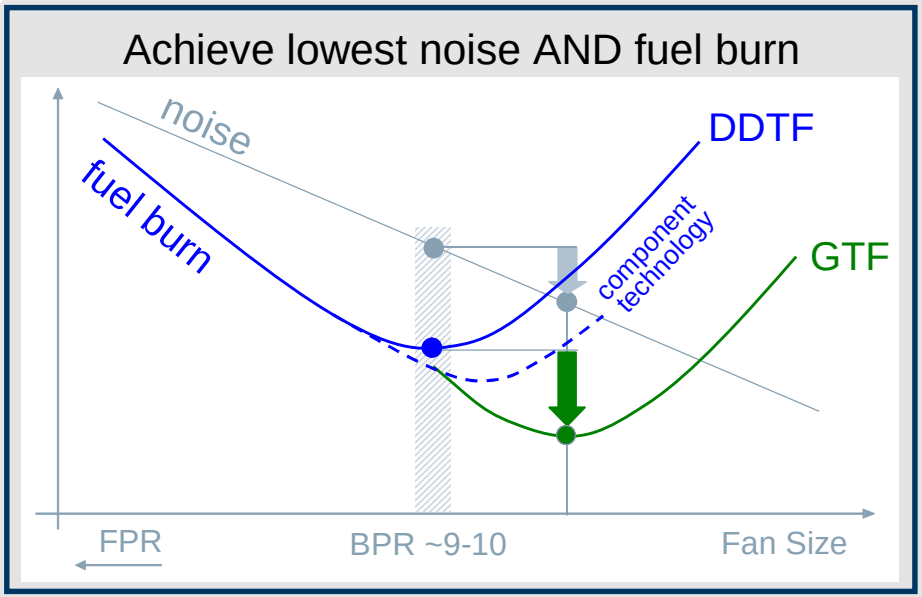
The Concept

The GTF in Comparison with Direct Drive Turbofans (DDTF)

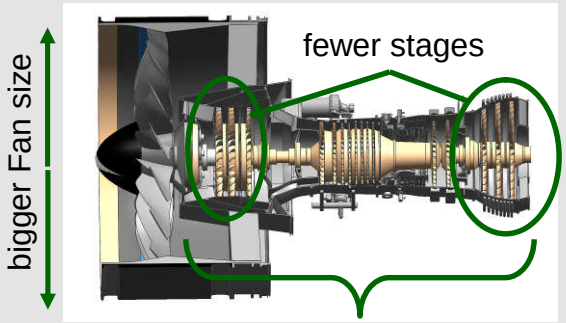
2-Spool DDTF	3-Spool DDTF	GTF
Gas Generator w/ low speed turbo machinery (LPC)	Gas Generator w/ high speed turbo machinery	Gas Generator w/ high speed turbo machinery
		
Fan speed higher than desired for high LPT η	Fan speed higher than desired for high LPT η	Fan speed low, as desired, for high propulsive efficiency
LPT speed lower than desired for acceptable Fan noise	LPT speed lower than desired for acceptable Fan noise	LPT speed high, as desired

The GTF provides the best mechanical concept to fulfill all functional requirements.

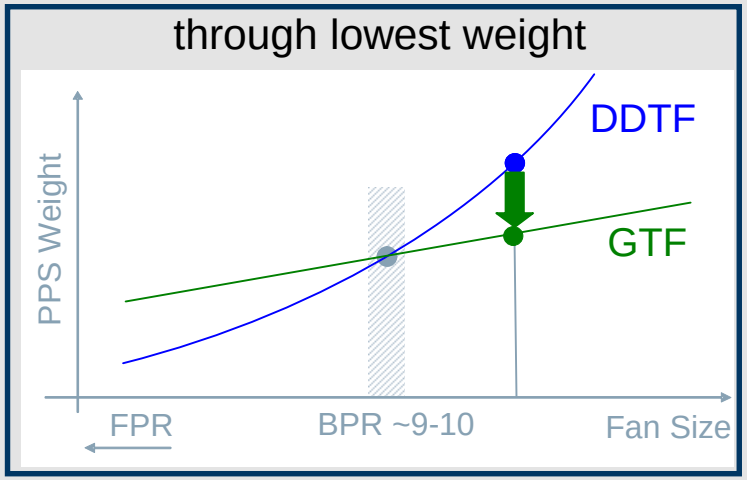
The GTF Enables Highest BPR Engines at Lowest Weight



FDGS
the enabler for less weight increase with growing Fan size

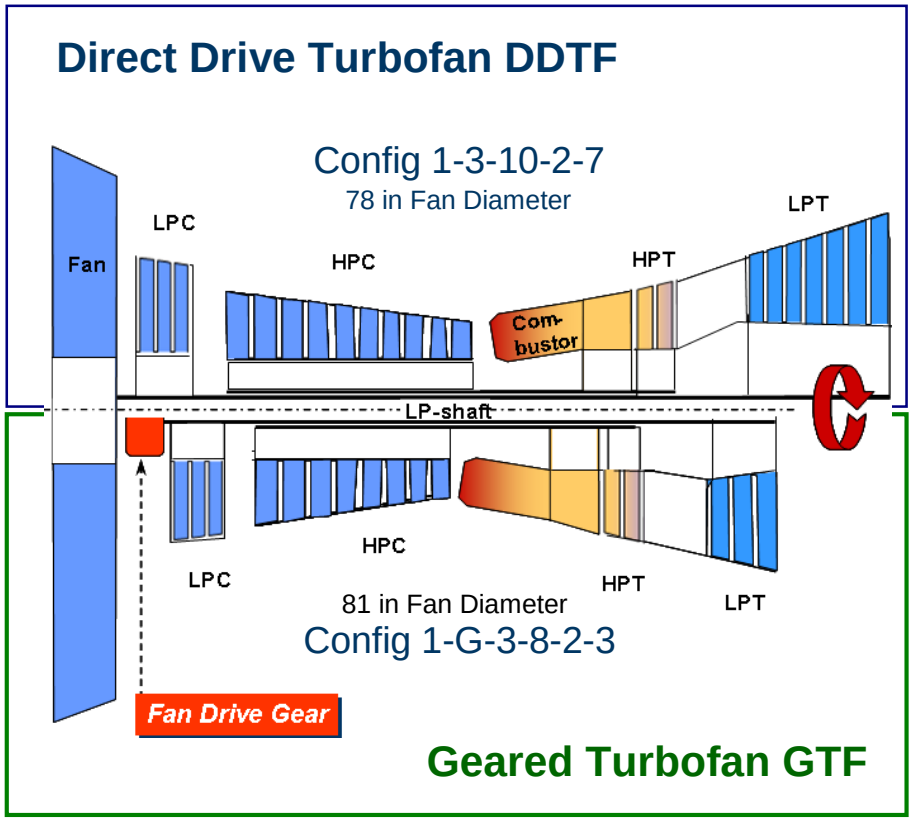


lowest weight by high speed LPC & LPT



Step change in fuel burn, emissions and noise as well as maintenance cost, all simultaneously.

The GTF Competitive Advantage



GTF relative to Direct Drive Turbofan:

- 25% less stages
- 45% less airfoils
- lower cycle temperature

= lower maintenance cost

- higher propulsive efficiency
- higher low spool component efficiencies
- shorter & lighter

= 3% less fuel burn

- 3 to 4 dB quieter (EPNdB, cum.)

The GTF concept achieves a significant competitive advantage over the DDTF.

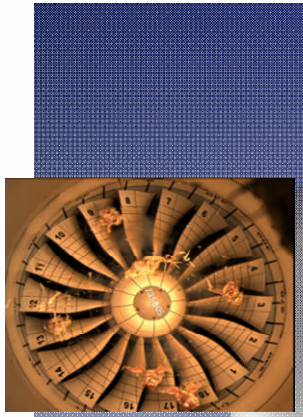
The Achievements

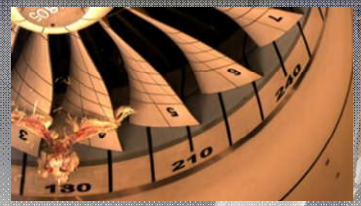
PW1200G for MRJ & PW1500G for CSeries Test Summary

Two Engines of the NGPF-Family Running Ahead of Time of the A320NEO Program

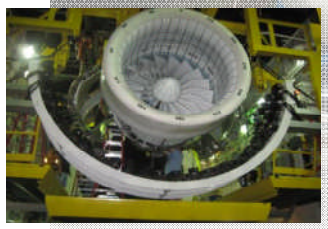
~4000 hours of testing completed including ~460 flight hours.

PW1500G Engine Certification on Schedule





Bird Ingestion Testing



Fan Blade Release

Engine Icing Testing

PW1000G engine testing:

- ~4.000 hours
- ~12.000 cycles

Demonstration of engine durability & robustness through very successful testing.

PW1100G-JM Engine Benefits for A320NEO

First Engine to Test @ Last Bolt Ceremony Oct 26, 2012

The engine will deliver:

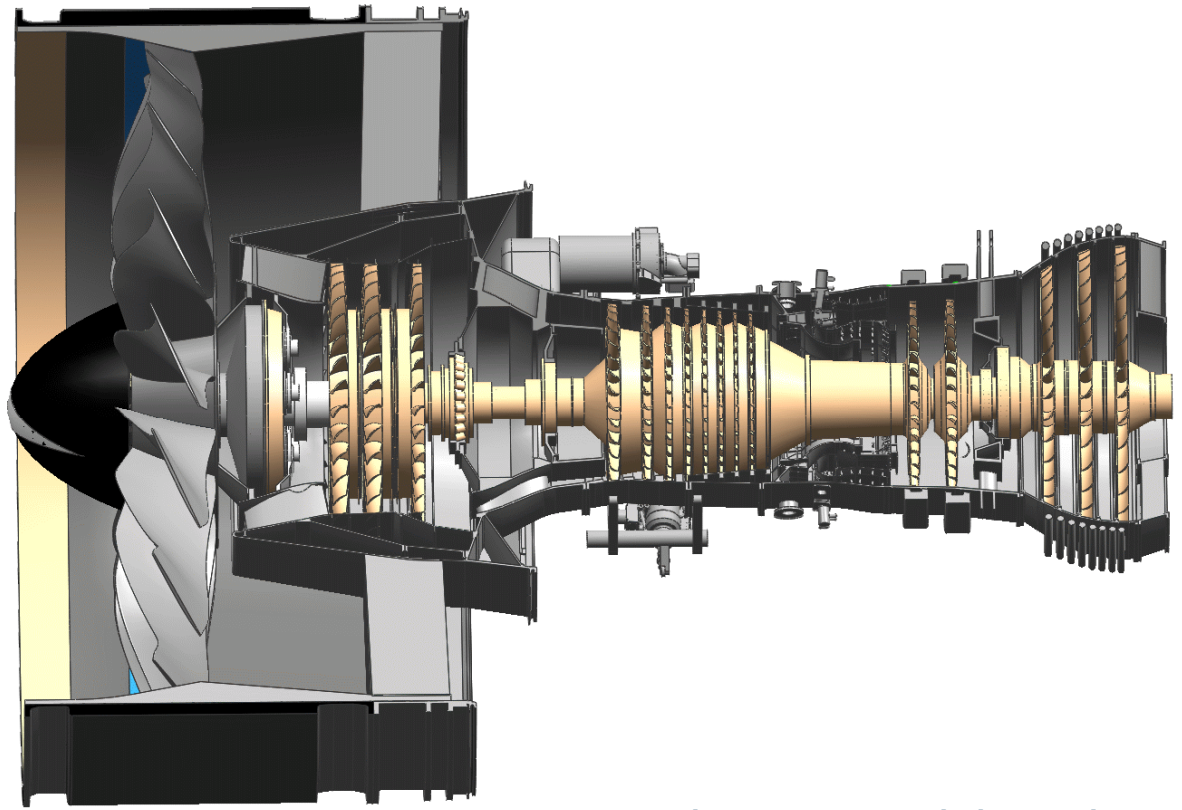
Fuel Burn	✓	-15%
CO_2	✓	-15%
Noise	✓	- 50% perceived noise
Maintenance Cost	✓	less stages/airfoils/LLP
Schedule	✓	earliest EIS

PW1100G-JM the third engine of the NGPF-family will incorporate all learning at lowest risk.

The Potential

GTF Further Improvement & Application Range

Optimization Beyond its Generic Concept Advantage



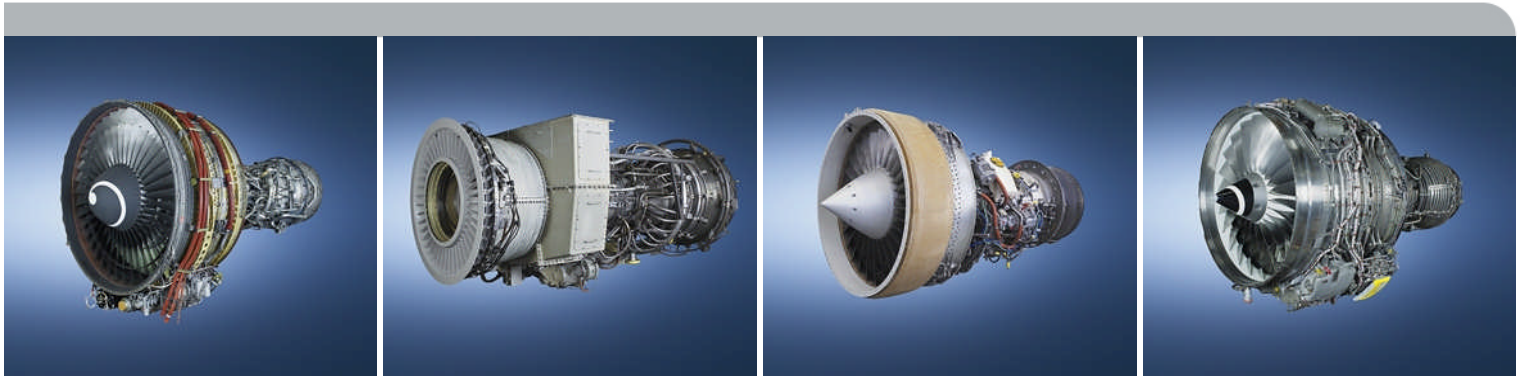
Scale GTF to Higher Thrust

The GTF concept is very well suited also for high thrust applications.

Summary & Conclusions

- The GTF is a game changing engine concept that will provide 15% less fuel burn and 50% less perceived noise relative to the V2500 engine
- It provides 3% less fuel burn, lower noise and lower maintenance cost relative to today's competing Direct Drive Turbofan
- The Fan Drive Gear System enables higher low spool component efficiencies, higher propulsive efficiency and lower engine weight
- The development programs are well under way
- The GTF concept offers further improvement potentials for narrow as well as for widebody aircraft applications

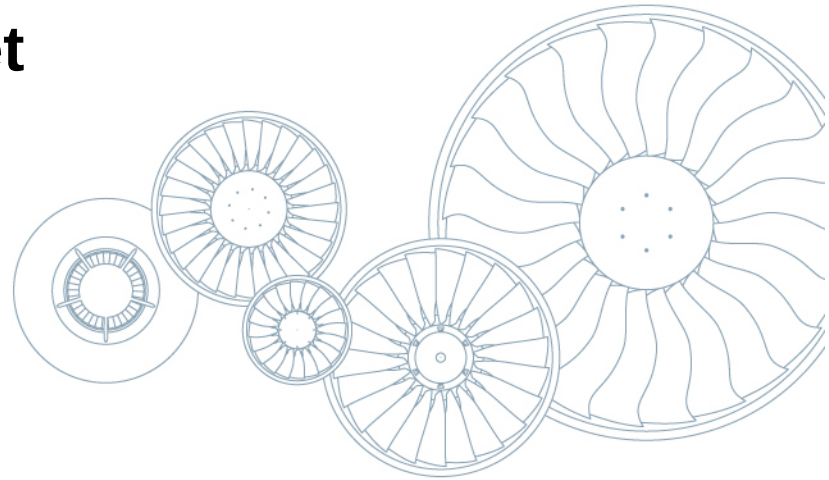
… thank you for your attention



Current Trends in MRO Market

Leo Koppers, SVP Marketing & Sales,
MTU Maintenance

Munich, 27. November 2012

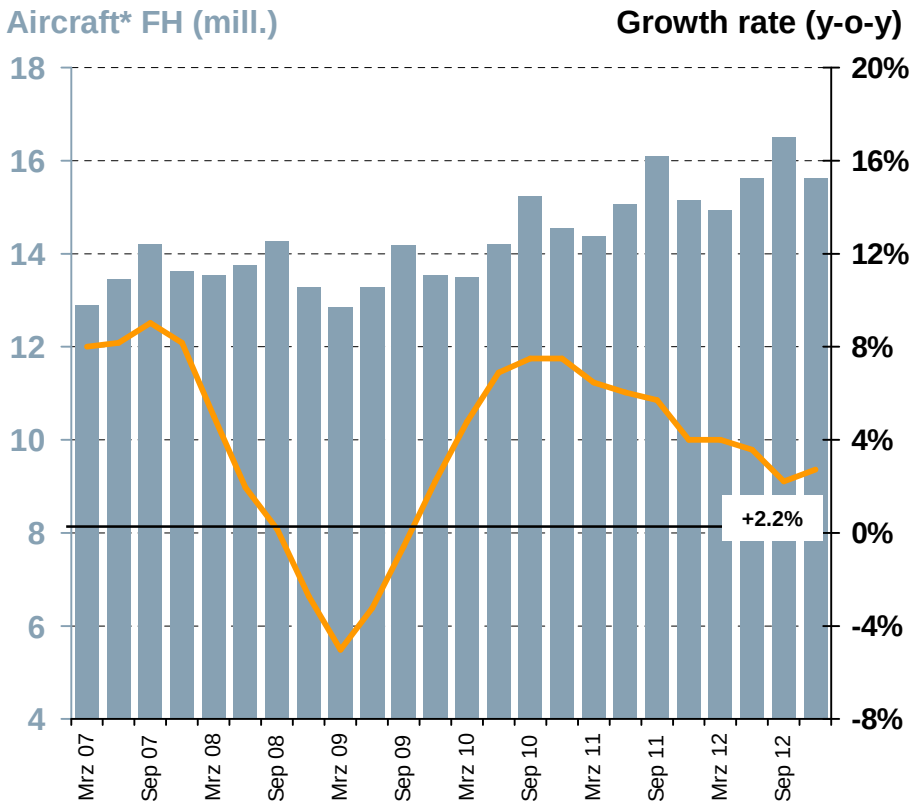


Current Market Trends – per November 2012

GDP	**+2.5%** (2011A) → **+2.2%** (2012E)	• Economic slowdown, serious risks • Eurozone crisis start to affect BRIC countries
Freight traffic	**-0.7%** (2011A) → **-0.4%** (2012E)	• Cargo traffic recovering (+0.6% in Sept) • Structural impact of high fuel prices
Passenger traffic	**+5.9%** (2011A) → **+5.3%** (2012E)	• Growth above long-term trend • Slowdown since mid 2012
Aircraft utilization	**+6%** (2011) → **+3%** (2012)	• Deceleration affecting out-of-production types disproportionately
Airliner engine fleet	**36,200** (Sep 11) → **37,300** (Sep 12)	• Active fleet growing moderately with +3% YOY • Older fleets in decline (CF6-50, CFM56-3)
Airline profits	**+$6.9b** (2011E) → **+$4.1b** (2012E)	• 3rd year of profitability • Airlines affected by difficult economic environment
Fuel price (crude oil)	**$111** (2011A) → **$112** (2012E)	• Stable at a high level • Poor economic outlook unlikely to lead to price spikes unless geopolitics come into play

Aircraft Utilization Development

Global airline flight hours (quarterly)



Highlights

- Ongoing growth in utilization although at lower level
- Slowdown in utilization vs. previous prediction:
  - Q3 to grow 2.2% instead of 3%
  - 2012 +3% instead of 3.5%
- Flight schedules indicate 2.7% in Q4 but this could also end up lower
- Strong differences depending on aircraft models with some out-of-production aircraft seeing double-digit declines

Source: UBS, OAG
* Western Commercial Jets (Airbus, Boeing, Bombardier, Embraer)

Airline flight hour growth is slowing down to +2.2% in Q3 with older out-of-production aircraft seeing double-digit declines

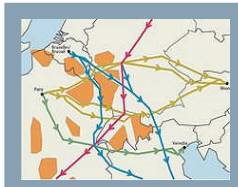
Market Indicators per Engine Type

Engine	Active fleet	Park rate	Flight Hours[1]	Y-O-Y as of 31 October 2012
Ø Airliner engines	37,320 +3.1%	10.4%	2.2%	Growth decelerating
CF34-3	1,494 -7%	17%	-8%	Fleet and flight hours in steep decline 50-seater operating costs are too high
CF34-8/-10E	2,928 +9%	3%	+10%	Strong E-190/CF34-10E deliveries Storage up as Pluna ceases operation
CF6-50	473 -15%	30%	-38%[2]	Strong fleet/utilization decrease coupled with high fuel price sensitivity, lots of surplus
CF6-80C2	2,885 -1%	7%	-3%[2]	Slight utilisation decrease with weakness in freight traffic
CFM56-3	2,594 -11%	19%	-9%	Fleet/hours decline fast, driven by retirements and storage, high fuel price sensitivity
CFM56-5B/-7	13,106 +11%	1%	9%	Strong growth, first teardowns for spare parts
GE90G	958 +21%	0%	12%	Success story goes on
PW2000 civ.	756 -2%	9%	-5%	Storage up, fleet/hours in decline
V2500-A1/-D5	272 -3%	32%	0%	Stabilisation, refurbished Delta MD-90s re-entering service, retirements are only A1s
V2500-A5	3,984 +9%	3%	8%	Storage rise due to insolvencies (Spanair, Kingfisher, Mexicana)

Source: Ascend, Innovata 1) 3rd Quarter 2012 2) 2nd Quarter 2012, 3rd Quarter data under review 3) last 4 quarters, % is retirements/fleet, based on aircraft retirements

Engine MRO and Shop Visit Cost Reduction Potential

DRIVERS

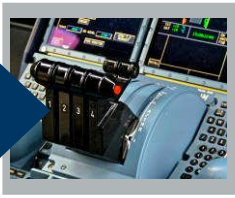


Operational parameters

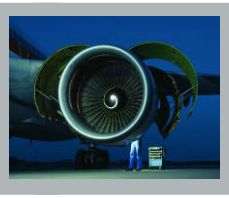
Cycle length

Operating environment

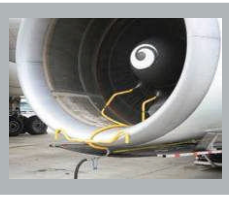
OPERATIONS: Measures to defer shop visits*



Procedure adjustments
(derate take off)

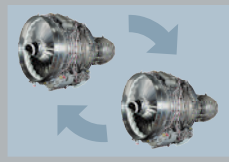


On-wing maintenance



Engine cleaning
(compressor wash)

Condition monitoring

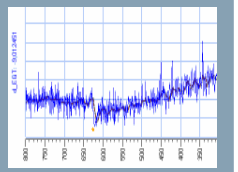


Engine swap (spare engines)

MRO TRIGGER

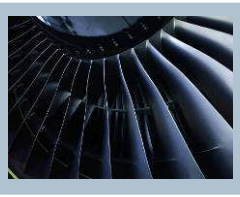
FOD

LLP expiry

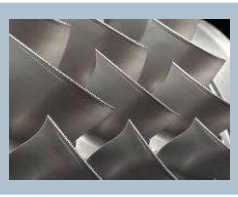


Hardware/ Performance

SHOP VISIT: Measures to reduce (operating) cost*



Module/LLP swap



DER repairs
(e.g. coatings)

Used material

Reduced workscoping
(short-built engines)

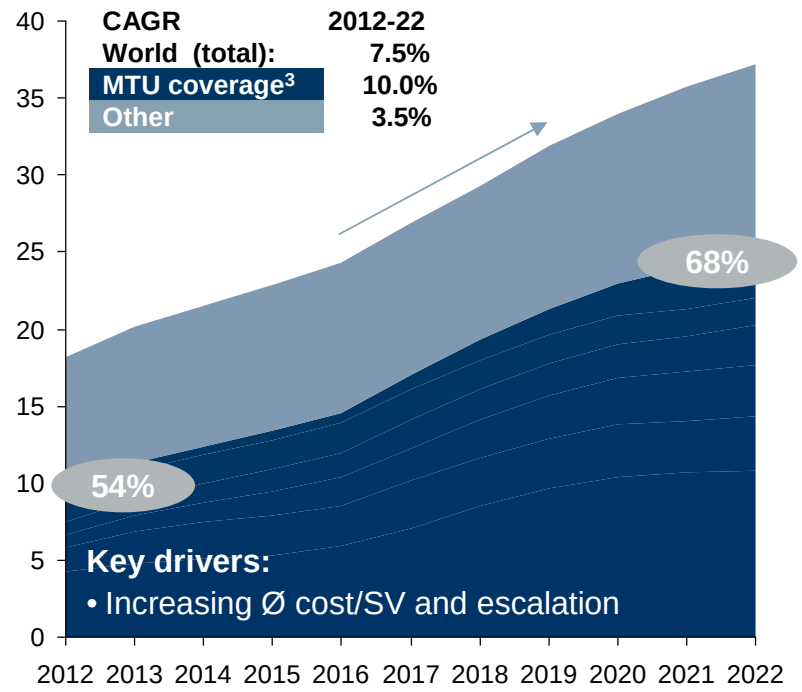
* Decision by airline and/or MRO

MTU Maintenance Workload Development

	Engine	2012 trend	2013 trend	Workscope content	
Ø	Commercial engines[1]	↑	↑	n/a	
😐	CF34-3	↓↓	↑↑	n/a	Workload waves driven by customer fleets
🙂	CF34-8/-10E	↑↑	↑↑	n/a	Fast growing workload
☹	CF6-50	↓↓	↓	HIGH	Last commercial visits expected in 2013; stable military workload with very high workload content
🙂	CF6-80C2	↑	→	MED	Stable workload due to customer wins
🙂	CFM56-3	↑↑	↑	LOW	Increasing volume against industry trend; Large new base customer acquired (secured workload until 2018, incl. teardown concept)
🙂	CFM56-5B/-7	↑↑	↑↑	MED	First -5B heavy visit wave from base customers; Growth mainly driven by new fleets under contract and market share gain
🙂	PW2000 civ.	↑	→	LOW	Traditionally low workscope level as module customers included
🙂	V2500	↑	↑	HIGH	Continuous -A5 growth from a high volume base with approx. 1/3 market share; -A1/-D5 workload expected for another few years

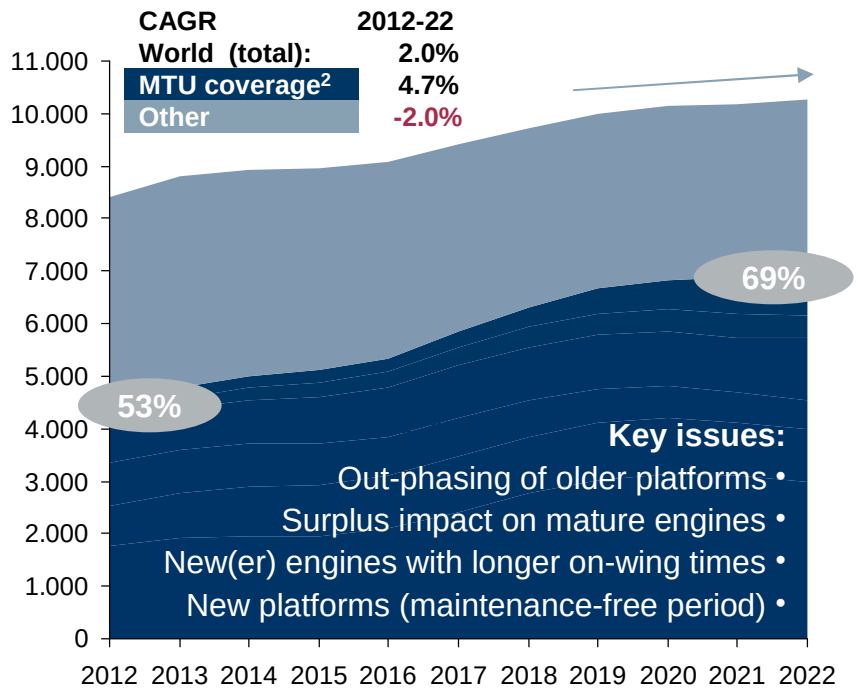
Commercial Engine MRO Market 2012-22

MRO revenues (b$)[1/2]



[1] WB, NB & RJ (TP and BJ excluded); [2] **3.6% escalation** included
[2] including current and planned product portfolio (e.g. GEnx, GTF)

Shop visits[1]



Over-proportional growth of MTU-served market; switch to newer technology leads to more costly shop visits with longer on-wing times

Market Challenges and Opportunities

	Challenges	Opportunities
Fleet dynamics	• Change of ownership of mature fleets • Decreasing MRO demand for older engines (retirements of large fleets) • Increased surplus	• Better market access and shares • Increased competitiveness (tailored surplus solutions) • Higher margins
Compe-tition	• Overcapacity • High price competition • New competitor breed (surplus/exchange)	• Capacity adjustments • Consolidation process started (Finnair, PWNEC, LTQE, Aveos …)
New technology	• Longer on-wing times, less but more costly shop visits during life cycle • High entry barriers (technology, license) • High investment	• High MTU internal synergies (R&D activities) • Technological edge/advantage vs. other independents
OEM penetration	• OEM-LTSA with new aircraft sales • OEM market share > 50% (up to 80-90% on new engines)	• Market entry via OEM RSP cooperation on new programs

Impact of New Technology on Engine Life Cycle and MRO Demand

Narrowbody engine technology – Illustrative scenarios

SUNSET

1960s – 70s
e.g. JT8D

Warranty[1] — 30 yrs

- 9 - 12 shop visits[2]
- Hardly any OEM-LTSA
- OEM share <5%

MATURE

1980s – 90s
e.g. CFM56-3

Warranty[1] — 28 yrs

- 6 - 9 shop visits[2]
- 15-20% OEM-LTSA
- OEM share ~40%[3]

NEW

2000s – 10s
e.g. V2500-A5; CFM56-5B/-7

Warranty[1] — 26 yrs

- 4 - 6 shop visits[2]
- 30-40% OEM-LTSA
- OEM share ~50%[3]

FUTURE

2020s – 30s
e.g. PW1000G Leap-X

Warranty[1] — 25 yrs

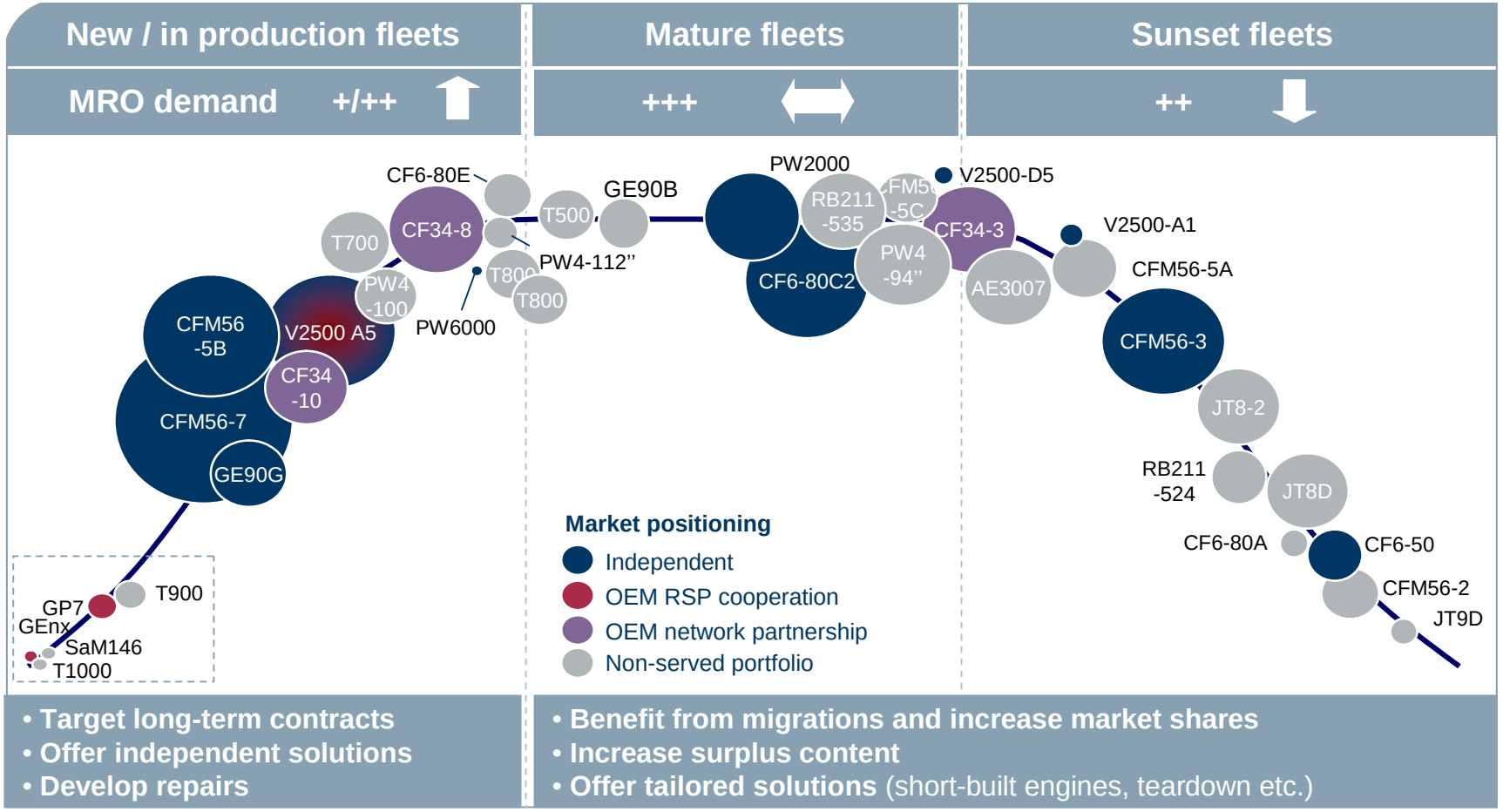
- 3 - 5 shop visits[2]
- >60% OEM-LTSA;
- OEM partner network >80%[3]

OEM coverage

[1] Average warranty period for design fault and workmanship; [2] Depending on engine thrust, flight/cycle ratio, operational environment, utilization, maintenance and retirement philosophy etc.; [3] Total coverage including (non-exclusive) short/mid-term contracts

Shorter life cycles forces higher OEM coverage and make a form of cooperation with the OEM necessary on newer engine types

Current MTU Maintenance Portfolio Positioning

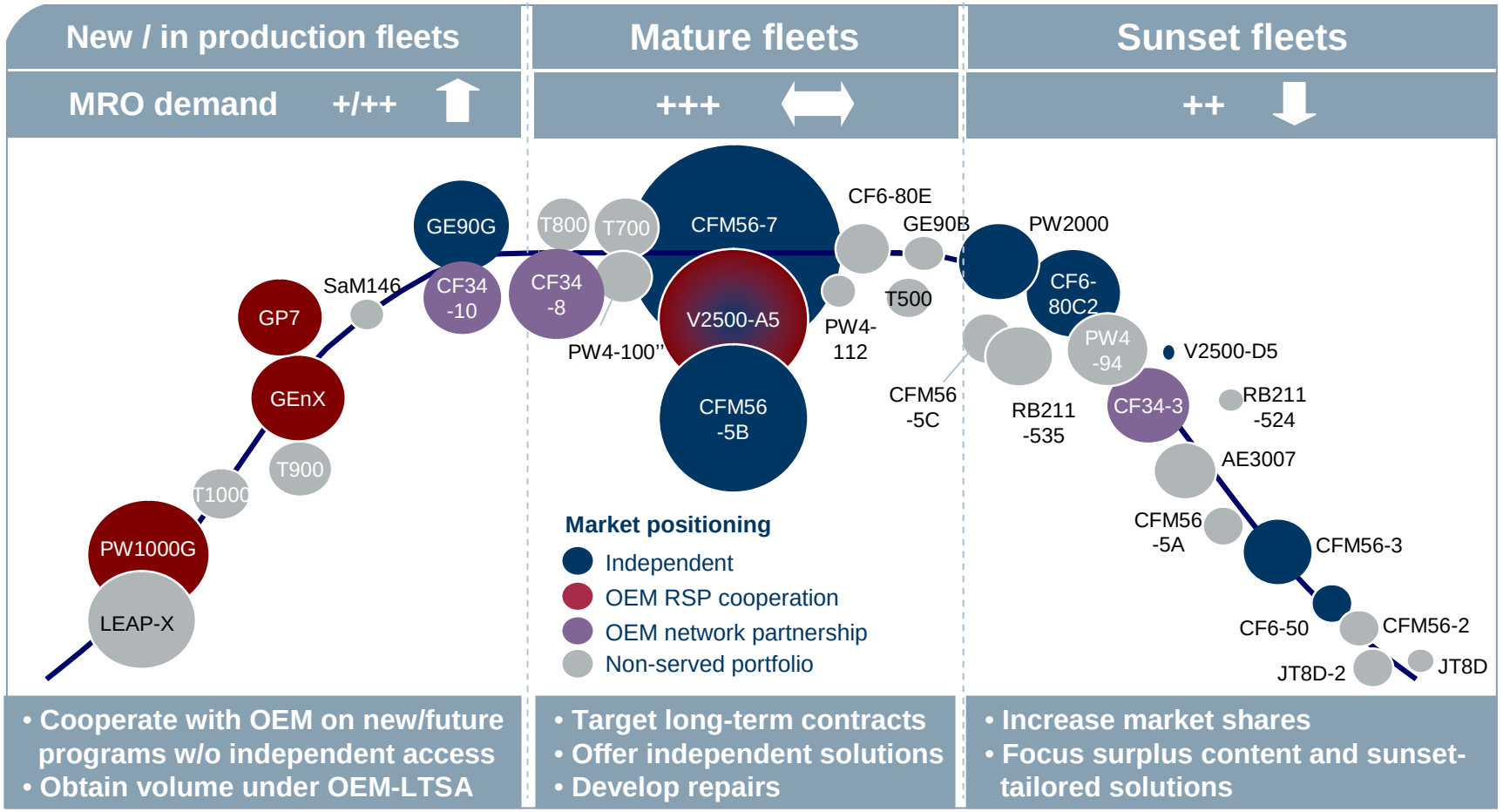


- **Target long-term contracts**
- **Offer independent solutions**
- **Develop repairs**

- **Benefit from migrations and increase market shares**
- **Increase surplus content**
- **Offer tailored solutions** (short-built engines, teardown etc.)

Market approach as independent with strong market access over next decade

Future MTU Maintenance Portfolio Positioning



OEM cooperation secures entry into next generation programs

Market Access Options

Independent MRO
CF6 CFM56 GE90 PW2000 V2500

Airline Joint Venture
CFM56 V2500

OEM cooperation	
RSP	Network
V2500 GP7 LPT GEnx TCF PW1000	CF34 PWC

Other services
On-site services Parts repair Spare engine support LRU Mgmt

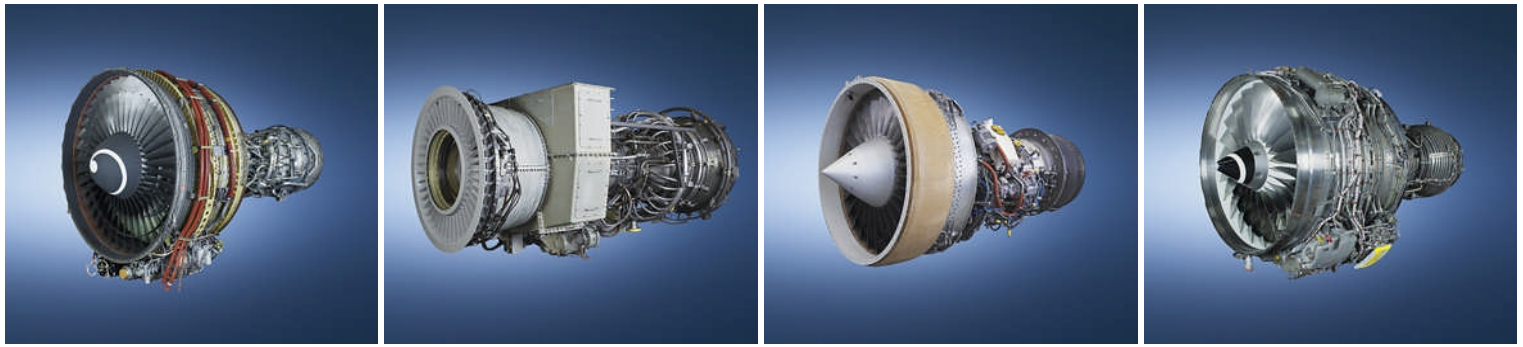
Outlook

Short to medium term forecast

- No impact of utilisation deceleration – workload to increase in 2013
- Growing average shop visit turnover
- Challenging market dynamics offer opportunities in terms of market access, competitiveness and profitability

MTU Maintenance long-term strategy

- Grow organically thanks to ramp-up of existing programs and new program introductions
- Cooperate with OEMs via MTU Aero Engines to secure access to new/future engine types
- Offer independent solutions on newer programs whenever market demand is sufficient



Thank you for your attention!

Financials & Summary-Wrap up

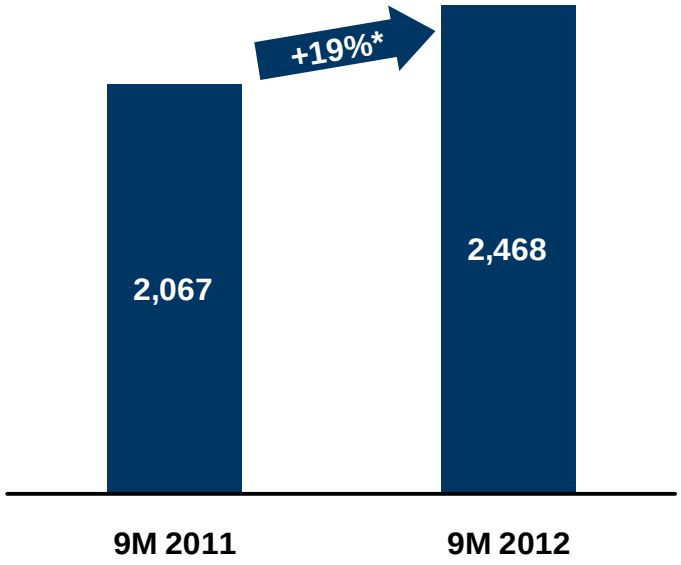
Reiner Winkler, CFO

Munich, 27. November 2012

9M 2012:
Group Revenues Increased by 19%

MTU Group Revenues

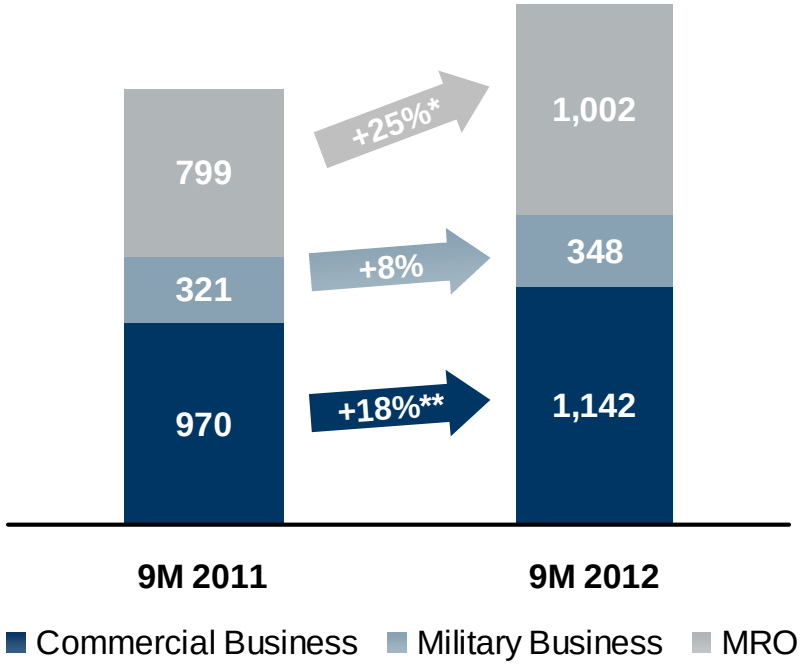
in m €



* US$ basis +10%

Segment Revenues

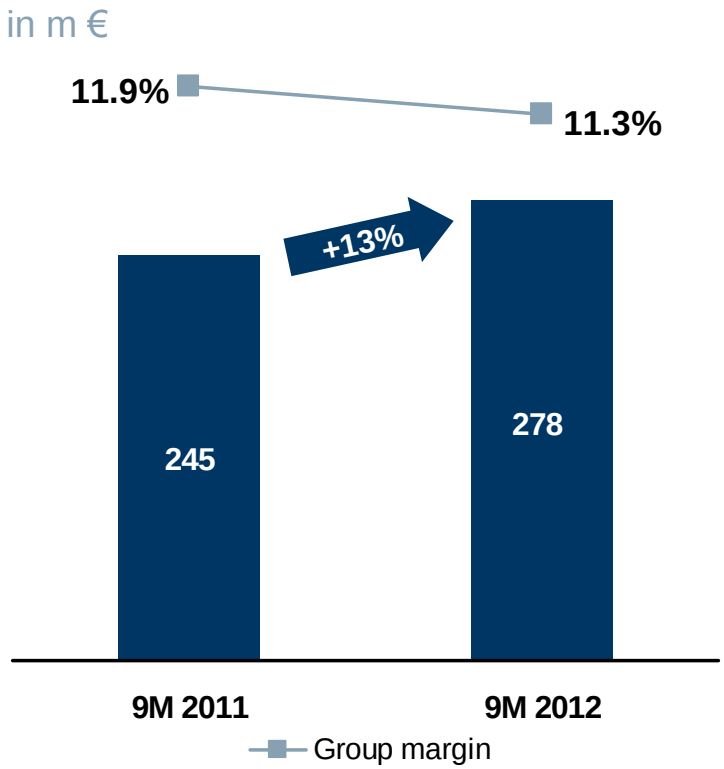
in m €



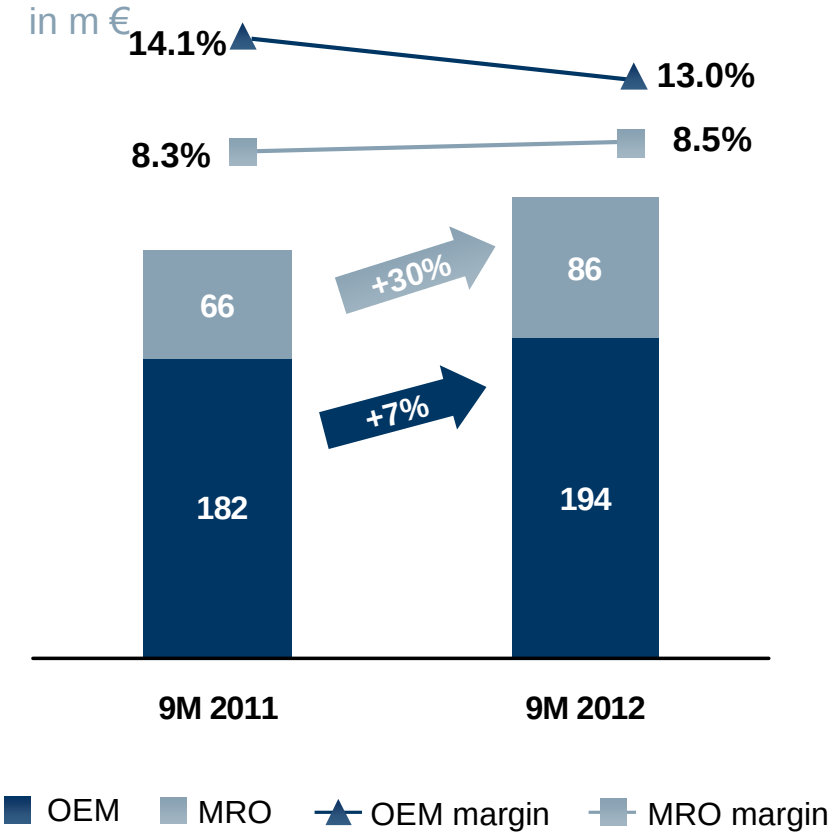
* on US$ basis +14%
** on US$ basis +7%

9M 2012:
Group EBIT adj. Increased by 13%

MTU Group EBIT adj.



Segment EBIT adj.



Guidance 2012 Confirmed

in m€	FY 2011	Guidance 2012
Revenues	2,932	**3,300**
EBIT adj.	328	**370**
EBIT adj. Margin	11.2%	
Net income adj.	196	**225**

- Commercial series sales up 10%
- Commercial spare parts flat
- Commercial MRO up 5% -10% (upper end)
- Military business up 5%
- Decrease in research & development (~€ 15m -20m)

IAS 19 Revised: Impact on Pension Provisions and Equity

- Abolishment of „Corridor Approach“
- Actuarial gains and losses have to be recognised in other comprehensive income (OCI)
- Change in discount rate for pension provisions (actual lower interest rates lead to higher DBO value)
  - ➢ Impact on balance sheet: Increase in pension provisions and decrease in equity
  - ➢ IAS19 revised effective for annual periods beginning on or after 1 January 2013, implementation already planned for year end 2012

IAS 19 Revised: Impact on Pension Provisions and Equity

Pension provision will be increased by actuarial losses

	Pension provisions
Expected DBO Dec 31, 2012 „corridor method“	€ 485 m
Actuarial losses from previous years	**€ 76 m**
New actuarial losses – due to change in discount rate to ~ 3.5% from 4.5%	~ € 80 m
Expected DBO Dec 31, 2012 „ IAS19 revised“	€ 641 m

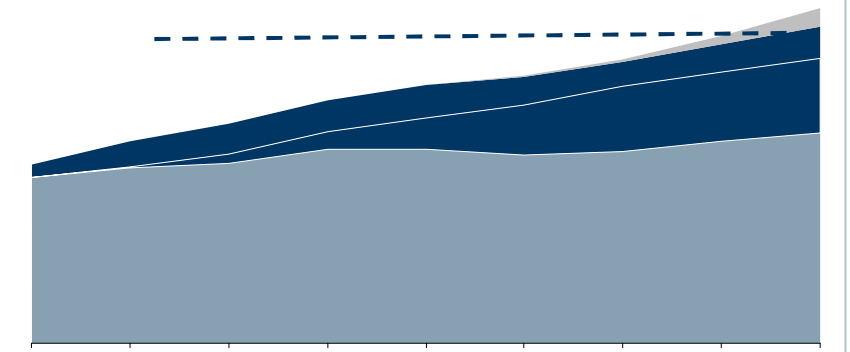
Equity will be decreased by actuarial losses

- Higher equity volatility in the future
- Mark-to-market valuation of hedge book already in equity
- Decrease in equity ratio to ~25%*) („corridor method“: 27%)

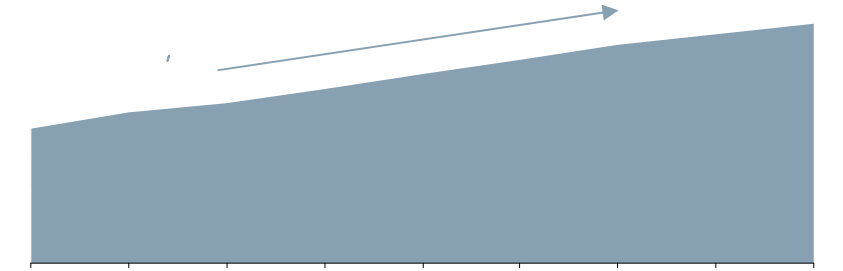
*) post tax / after deferred tax

Cash Deployment

€ 6 bn revenue target by 2020



EBIT margin target 12-14%



FCF development

Growth target:

- Revenue target of € 6bn by 2020
- EBIT mid-long term target 12-14%

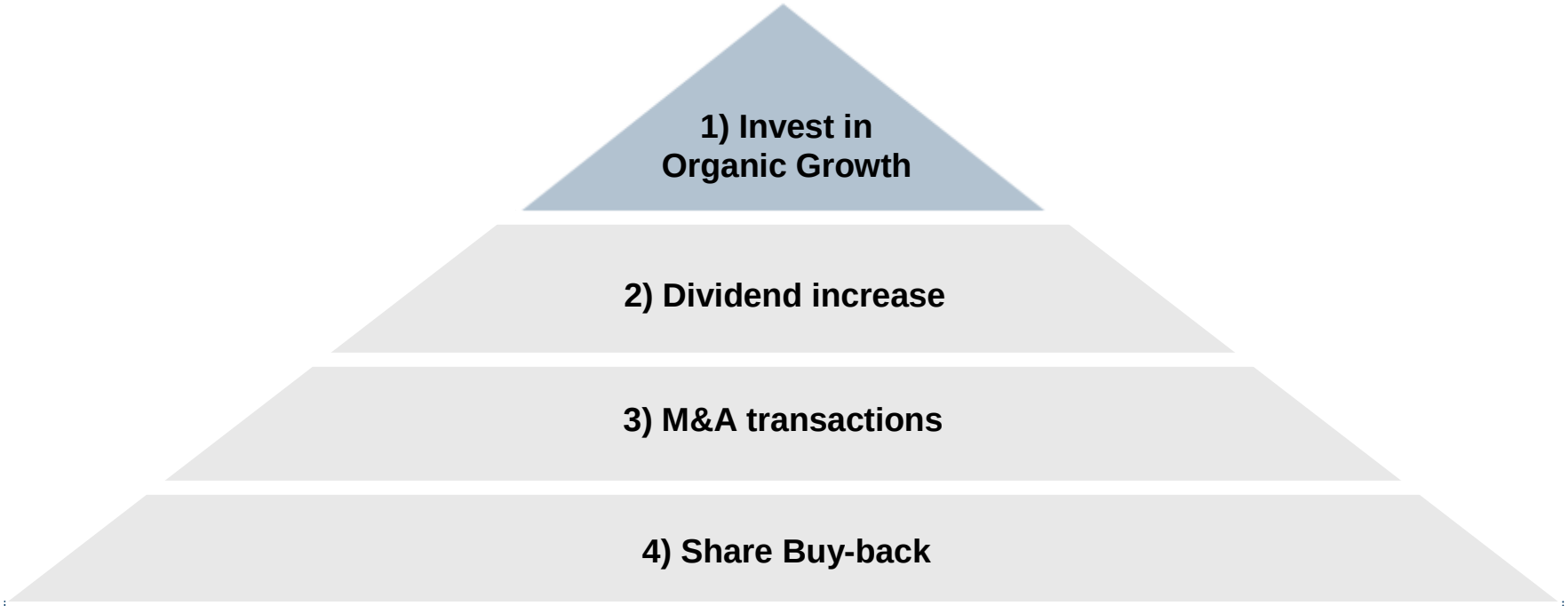
CF short to mid term - headwinds:

- Higher inventories due to ramp up of new engine programs (GP7000, GEnx, GTF)
- Decrease in military prepayments in 2013-2015

CF mid to long term – potential:

- Significant growth after 2015

Priority List of Cash Flow Use



Options ranked based on priority – considering:

- Benefit/ positive contribution
- Probability
- Cash Impact

Priority List of Cash Flow Use

1) Invest in Organic Growth

- Com. OEM: B777x, further GTF applications
- Military: New helicopter engine
- MRO: New JV in Emerging Markets

Cash Impact: Med - high
Probability: Almost certain

2) Dividend increase

- Dividend increase based on Net Income adj. development
- Pay-out ratio of 30-40% (2011: ~31%)
- No special dividend planned

Cash Impact: Med
Probability: Possible

3) M&A transactions

- Strict financial and strategic M&A criteria:
  - ROCE > WACC
  - No EPS dilution
  - Maintain Investment Grade Rating
- Potential options are rare but constantly under review

Cash Impact: High
Probability: Unlikely

4) Share buy-back

- Authorization for share buy-back in place (10%)
- Currently ~2% own treasury shares

Cash Impact: Med
Probability: Near term: Unlikely
Mid – long term: Possible

EBIT adj. Head- and Tailwinds 2013

- IAE-upshare: € 250m* revenues with mid - high single digit EBIT margin
- New engines sales up in mid teens **
- Spare parts up high single digit **
- Commercial MRO up high single digit
- Military revenues flat
- R&D slightly down
- No FX impact (based on ø $/€ 1,30)

*) € 100m revenues in 2012 **) organic growth rates

Summary & Wrap up

- MTU is on track to achieve € 6bn revenue target by 2020
- MTU´s supply chain is well prepared to manage ramp up
- MTU continues to invest into GTF technology targeting further applications / thrust ranges
- MTU MRO is well positioned to profit from current market dynamics
- MTU´s first priority for cash flow deployment is investing into profitable organic growth

Thank you for your attention!