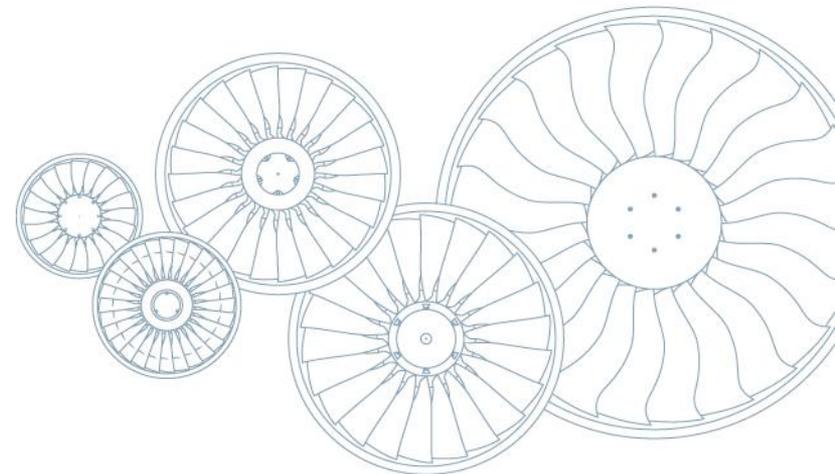




Q1 2016 Results- MTU Aero Engines

Conference Call with Investors and Analysts
28 April 2016



Agenda

- **Business Highlights**
- Group key figures
- Commercial and Military OEM
- Commercial MRO
- Guidance 2016
- Appendix

Business Highlights Q1 2016 – Successful Start into 2016

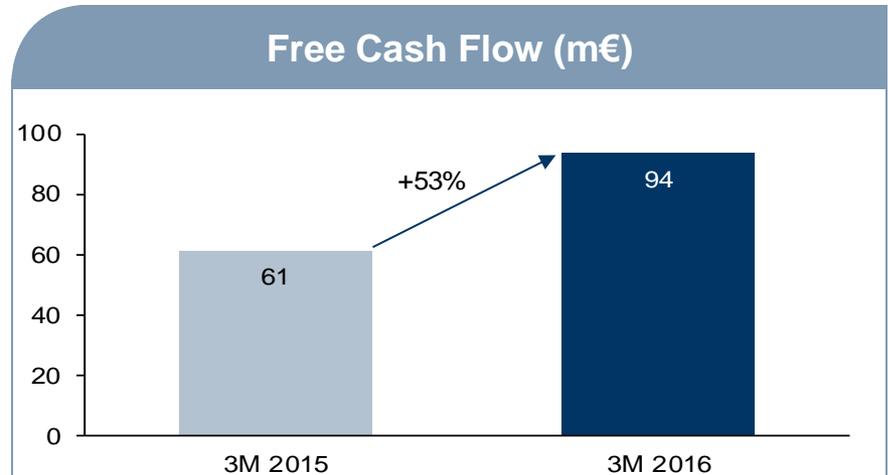
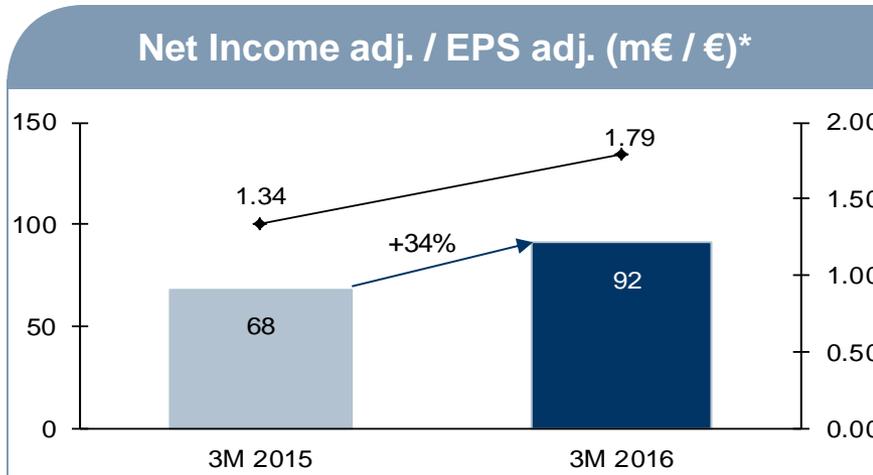
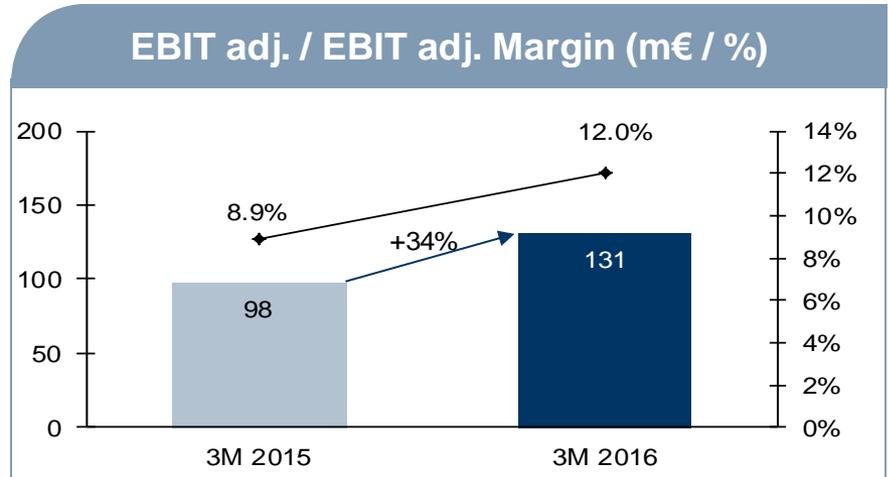
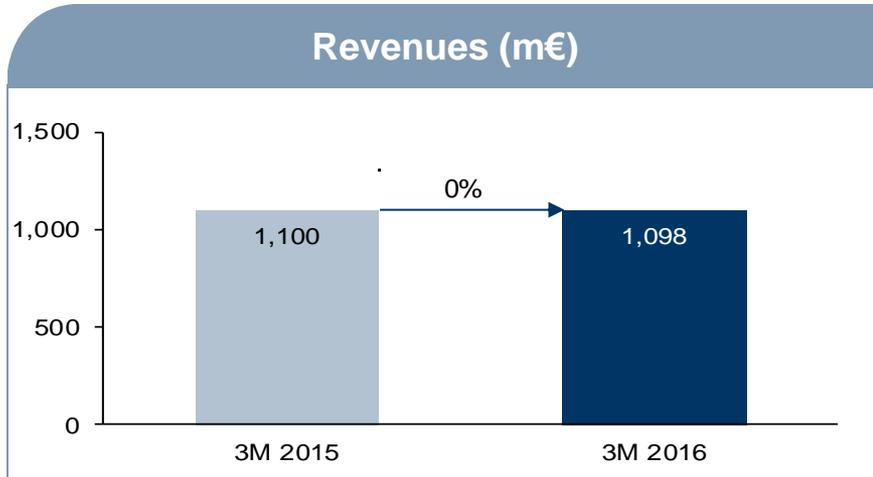


- IATA passenger traffic up 7.8% ytd. in Feb. 2016
- Major success at the Singapore Airshow 2016
- First A320neo aircraft handed over to Lufthansa and IndiGo
- GE9x ground testing started
- Kuwait signed deal for 28 Eurofighter aircraft
- Record sales in MRO
- Record dividend of 1.70 € per share

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Financial Highlights Q1 2016

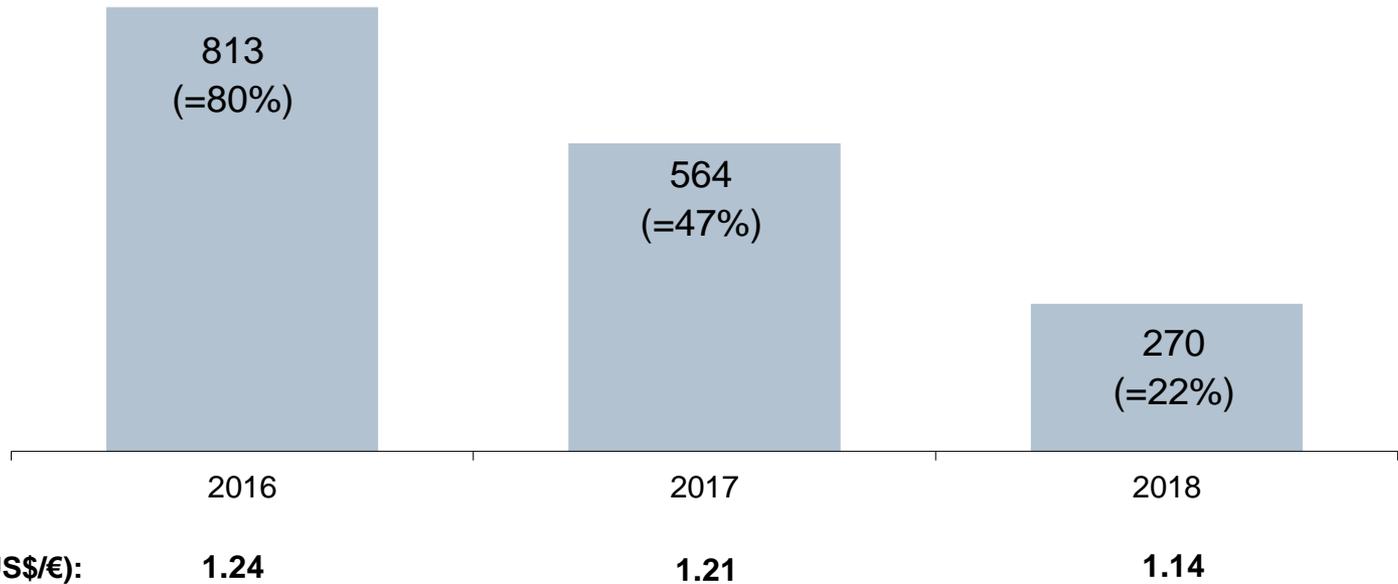


* w/o market-to-market valuations of US\$, nickel and options and others

US\$ Exchange Rate / Hedge Portfolio

Hedge book as of April 28, 2016 (*% of net exposure*)

(mUS\$)



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Commercial OEM Business Highlights in Q1 2016



- 570 mUS\$ order wins at Singapore Airshow, mainly for GTF engines
- Bombardier CSeries attracts new customers
- First A320neo equipped with PW1100G-JM engines delivered to Lufthansa and IndiGo
- P&W on track to accelerate PW1100G-JM ramp-up in H2 2016
- Embraer E190-E2 successfully completed first engine run
- First GE9x development engine started ground testing

Military Business Highlights in Q1 2016



- Kuwait signed deal for 28 Eurofighter aircraft
- TP400 production for the A400M continues as planned, enhancement of TP400 Power Gearbox initiated
- Flight test of CH-53K powered by GE38 engines on track
- Embraer KC-390 (V2500-E5 engine) test flight program continues

OEM Segment

Order book	31/12/2015	31/03/2016	Change
Order book (m€)	6,830.6	6,402.6	-6%
Commercial Business (mUS\$)	6,888.5	6,731.0	-2%
Military Business (m€)	503.3	490.4	-3%

(m€)	3M 2015	3M 2016	Change
Revenues	726.7	680.5	-6%
Commercial Business	635.5	556.0	-13%
Military Business	91.2	124.5	37%
EBIT adj.	58.1	88.8	53%
<i>EBIT adj. Margin %</i>	<i>8.0%</i>	<i>13.0%</i>	

- Singapore order wins of 570 m US\$ not included yet
- Underlying US\$ Commercial OEM revenues slightly down
- Military revenues up 37%
- EBIT margin at 13%



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Commercial MRO Business Highlights in Q1 2016



- New contract wins above 600 mUS\$
- Renewal of LM2500 contract with Statoil of 200 mUS\$
- High workload in all MRO shops
- Continuation of strong sales growth in Q1 16 with new record level
- GTF MRO readiness under way
- Mature engine program gaining interest and supports strong engine MRO sales in Q1

Commercial MRO Business

(mUS\$)	31/12/2015	31/03/2016	Change
Order book	6,165.4	6,235.8	1%

(m€)	3M 2015	3M 2016	
Revenues	383.9	428.8	12%
EBIT adj.	38.1	42.3	11%
<i>EBIT adj. Margin %</i>	<i>9.9%</i>	<i>9.9%</i>	

- Contract volume up 1%
- Organic revenues up in the mid teens
- EBIT margin remained stable at 9.9%



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Guidance 2016 confirmed

Military:	Stable	⇒
New engine Sales (Com. OE):	Mid single digit	↑
Spare parts Sales (Com. Spares):	Low to mid single digit	↑
Commercial MRO:	High single digit	↑↑
Revenues	4.6 – 4.7 bn €	
Tailwind from US\$ fx-rate due to improved Hedge book (based on avg. rate of 1.10)		
Slight headwind from Com. OE mix and R&D (P&L)		
EBIT adj.	Stable Margin of ~10%	
Improved tax rate of 29%		
Net Income adj.	Growth in line with EBIT adj.	
CCR	Low double digit %	

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Net Income adj.

(m€)	3M 2015	3M 2016	Change
Revenues	1,099.5	1,097.9	0%
EBIT adj.	97.7	131.3	34%
<i>Thereof P&L of companies accounted "at equity"</i>	9.5	8.3	-13%
Interest Result	-0.8	-1.7	-113%
Interests for pension provisions	-3.5	-4.1	-17%
Financial Result	-4.3	-5.8	-35%
EBT adj. *	93.4	125.5	34%
Taxes**	-25.2	-34.0	
Tax rate normalized	30.0%	29.0%	
Net Income adj. **	68.2	91.5	34%
EPS adj. **	1.34	1.79	34%

*) w/o market-to market valuations of US\$, Nickel , options and others

**) at equity results excluded from taxation

Profit & Loss

(m€)	3M 2015	3M 2016	Change
Revenues	1,099.5	1,097.9	0%
Total Cost of Sales	-974.0	-928.2	
Gross Profit	125.5	169.7	35%
<i>Gross Profit Margin</i>	<i>11.4%</i>	<i>15.5%</i>	
R&D according to IFRS	-15.6	-19.4	
SG&A	-38.1	-41.6	
Other operating income (expense)	2.6	1.7	
P&L of companies accounted "at equity and at cost"	9.5	8.3	
EBIT reported	83.9	118.7	41%
<i>Adjustment (PPA Depreciation & Amortization)</i>	<i>6.1</i>	<i>5.3</i>	
<i>Adjustment (IAE Upshare)</i>	<i>7.7</i>	<i>7.3</i>	
EBIT adj.	97.7	131.3	34%
<i>EBIT adj.margin</i>	<i>8.9%</i>	<i>12.0%</i>	
Financial Result	-51.7	1.1	
Profit before tax (EBT)	32.2	119.8	272%
Taxes	-11.2	-29.4	
Net Income reported	21.0	90.4	>300%
Net Income adj.	68.2	91.5	
EPS reported	0.42	1.76	
EPS adj.	1.34	1.79	

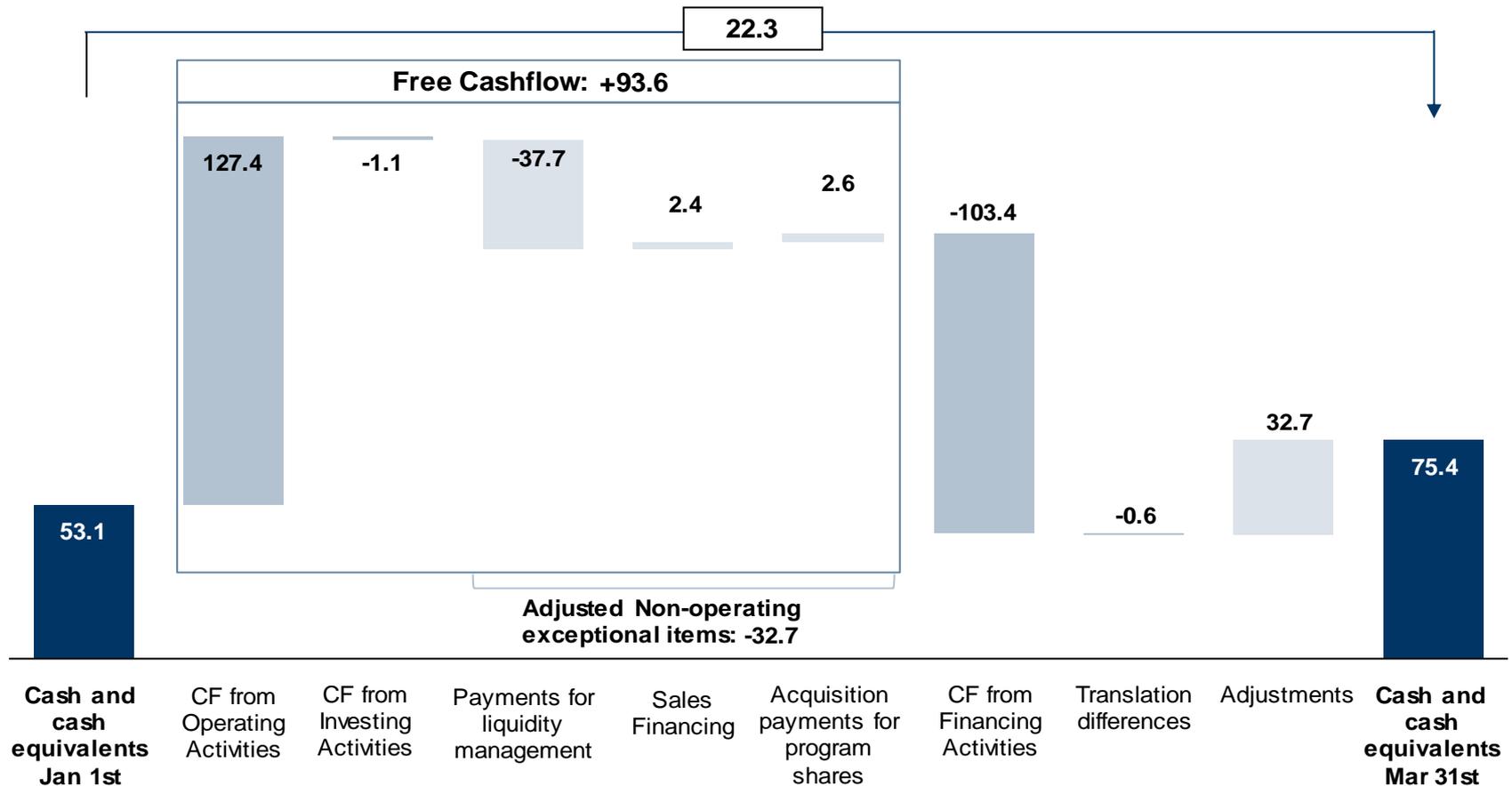
Segment Revenues and EBIT adj.

(m€)	3M 2015	3M 2016	Change
Revenues Group	1,099.5	1,097.9	0%
OEM Commercial	635.5	556.0	-13%
OEM Military	91.2	124.5	37%
MRO	383.9	428.8	12%
Consolidation	-11.1	-11.4	
EBIT adj. Group	97.7	131.3	34%
OEM (Commercial / Military)	58.1	88.8	53%
MRO	38.1	42.3	11%
Consolidation	1.5	0.2	
EBIT margin adj. Group	8.9%	12.0%	
<i>OEM (Commercial / Military)</i>	<i>8.0%</i>	<i>13.0%</i>	
<i>MRO</i>	<i>9.9%</i>	<i>9.9%</i>	

Research & Development

(m€)	3M 2015	3M 2016	Change
Total R&D	52.0	58.6	13%
Customer funded R&D	-8.7	-8.1	7%
Company expensed R&D	43.3	50.5	17%
thereof OEM	42.3	49.3	
thereof MRO	1.0	1.2	
Capitalization of R&D	-27.7	-31.1	
thereof OEM	-27.7	-31.1	
thereof MRO	0.0	0.0	
R&D according to IFRS (P&L)	15.6	19.4	24%
Amortisation (COGS)	0.6	2.1	
Total R&D impact P&L	16.2	21.5	33%

MTU's Cash development January – March 2016



Cash Flow

(m€)	3M 2015	3M 2016	Change
Net Income IFRS	21.0	90.4	>300%
Depreciation and amortization	34.7	45.2	
Change in provisions*	23.5	69.9	
Change in Working Capital	-8.0	-46.9	
Taxes	-15.0	-8.0	
Interest, derivatives, others	55.0	-23.2	
Cash Flow from operating activities	111.2	127.4	15%
Cash Flow from investing activities	-60.9	-1.1	98%
<i>Adjustments</i>	<i>10.9</i>	<i>-32.7</i>	
Free Cash Flow	61.2	93.6	53%
<i>Adjustments</i>	<i>-10.9</i>	<i>32.7</i>	
Cash Flow from financing activities	-23.6	-103.4	<-300%
Effect of exchange rate on cash and cash equivalents	5.8	-0.6	
Change in cash and cash equivalents	32.5	22.3	
Cash and cash equivalents at 31.03.	97.1	75.4	

* includes pension provisions and other provisions

Net financial debt at 782.5 m€

(m€)	31/12/2015	31/03/2016	Change
Corporate bonds	353.2	356.0	
Financial liabilities to bank	149.2	60.1	
<i>thereof Revolving Credit Facility</i>	119.1	30.0	
<i>thereof Note Purchase Agreement</i>	30.1	30.1	
Loans from related companies	0.0	2.8	
Finance lease liabilities	12.9	12.5	
Financial liabilities arising from program participation	531.4	500.2	
<i>thereof arising from IAE V2500 Upshare</i>	419.6	396.5	
Gross financial debt	1,046.7	931.6	-11%
Cash and cash equivalents	53.1	75.4	
Loans to third parties	60.7	58.2	
Loans to related companies	13.8	15.5	
Securities	37.9	0.0	
Financial assets	165.5	149.1	-10%
Net financial debt *	881.2	782.5	-11%

* Q1 Net debt figures before dividend payment. After dividend payment Net Debt should increase.

Working Capital

(m€)	31/12/2015	31/03/2016	Change	Change in %
Gross inventories	894.0	905.3	11.3	
Prepayments	-373.8	-357.9	15.9	
Receivables	1,065.8	1,056.1	-9.7	
Payables	-861.9	-832.5	29.4	
Working Capital	724.1	771.0	46.9	6%

PPA Depreciation / Amortization (in m€)

(in m€)	3M 2015	3M 2016
Total depreciation / amortization		
OEM	32.2	33.5
MRO	8.0	8.3
MTU total	40.2	41.8
PPA depreciation / amortization		
PPA OEM	5.5	4.7
PPA MRO	0.6	0.6
IAE Upshare OEM	7.7	7.3
MTU total	13.8	12.6
Depreciation / amortization w/o PPA and w/o IAE Upshare		
OEM	19.0	21.5
MRO	7.4	7.7
MTU total	26.4	29.2

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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