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## **75 years: MTU Aero Engines celebrates anniversary**

- **An established player in the engine industry for decades**

Munich, February 23, 2009 - MTU Aero Engines is a long-standing company rich in tradition and promise. Its predecessor companies equipped the first powered airplanes at the beginning of the 20th century. Today, the company is a firmly established player in the engine industry and works on the technologies of tomorrow. This year, Germany's leading engine manufacturer celebrates its 75th anniversary: In 1934, MTU's legal predecessor BMW Flugmotorenbau GmbH was founded. A family day for MTU's employees and other events will be held to mark the 75th anniversary of the company's founding.

Over the decades, MTU has taken active and at times pacesetting roles in the progress of aircraft engines, and it still does. Tomorrow's aircraft need to be fuel-thrifter, cleaner and quieter, and the engines to power them will play a key role in achieving these goals. With the novel technologies it develops MTU makes a significant contribution in this effort. Through its Claire (Clean Air Engine) technology program, MTU has identified a concept to significantly reduce noise and carbon dioxide emissions in three stages. Front and center of the concept is the geared turbofan engine being built jointly by Pratt & Whitney and MTU. This innovative development once again underscores the company's technological expertise.

For many years, MTU has been renowned for its high-tech products and services. Having carved out leading positions in engine technologies, MTU excels in low-pressure turbines, compressors, manufacturing and repair techniques. In the commercial area, MTU Maintenance—with its global network of shops—is the world's largest independent provider of engine maintenance services. In the military arena, MTU is Germany's industrial lead company for practically all engines flown by the country's armed forces.

### **Colorful past**

In the 75 years since its founding, MTU Aero Engines has been through a string of takeovers and changes in corporate identity and ownership. Forming the nucleus of today's MTU Aero Engines is Rapp Motorenwerke, set up in 1913 by aviation pioneer Karl Rapp at Munich's Oberwiesenfeld. That company in 1917 becomes BMW AG and later, at the end of 1934, BMW Flugmotorenbau GmbH. In 1936, the



company moves to Munich-Allach, where MTU Aero Engines is headquartered to this day.

The end of World War II also spells the end of German aircraft engine production for the time being. At the Allach factory, work is restricted to the repair of U.S. Army vehicles, which continues into the mid-fifties. In 1954, the general political situation allows German aircraft engine production to resume: BMW Studiengesellschaft für Triebwerksbau GmbH is set up in 1954 and becomes BMW Triebwerksbau GmbH in 1957. As a licensee, BMW Triebwerksbau GmbH in 1959 launches into engine production and begins manufacturing General Electric J79-11A engines powering the Lockheed F-104G Starfighter.

In 1960, MAN AG acquires 50 percent of the company and five years later the remaining 50 percent. BMW sells its entire stake and completely exits the aircraft engine business. The wholly owned MAN affiliate is then merged with MAN Turbomotoren GmbH and renamed MAN Turbo GmbH. The new company wins contracts to manufacture Tyne engines under license from Rolls-Royce. That engine powers the Breguet Atlantic maritime patrol and antisubmarine aircraft and the C-160 Transall airlifter.

Upon request of Germany's Ministry of Defense, which wants the German aviation industry to consolidate, Entwicklungsgesellschaft für Turbomotoren GmbH is formed in Munich in 1968. This joint venture in which MAN Turbo and Daimler-Benz AG hold a 50 percent stake each, marks the beginning of the two companies' cooperation in the field of aircraft engines. Among the first activities is the development of the RB199-34R to power the European multi-role combat aircraft, the Panavia Tornado. To this very date, that engine remains MTU's most successful military program.

In 1969, Motoren- und Turbinen-Union München GmbH, or MTU München for short, is launched based on an agreement between Daimler-Benz and MAN AG stipulating the amalgamation of the two companies' aircraft engine and high-speed diesel engine activities. For the purpose, MTU München (aircraft engines) and MTU Friedrichshafen (diesel engines) are created.

In addition to the military engine activities, the development of commercial engines is gaining importance for the company in the 1970s. MTU enters the com-



mercial engine field in 1971, concluding a cooperation agreement with General Electric (GE) that covers the manufacture of parts for the CF6-50 engine powering the Airbus A300 transport. The growing demand for the maintenance, repair and overhaul (MRO) of commercial engines in 1979 prompts the launch of MTU Maintenance Hannover in Langenhagen. The move catapults MTU into full-scale commercial MRO and creates a separate company segment alongside original equipment manufacturing (OEM) and military repair.

In 1985, MTU becomes a wholly-owned subsidiary of Daimler-Benz AG. Cooperation with Pratt & Whitney Canada begins that same year. In 1989, Deutsche Aerospace AG (DASA) is created in Munich, with the major entities of the industry all folded into it, including MTU.

In 1991, MTU starts to expand its network of maintenance facilities and establishes MTU Maintenance Berlin-Brandenburg in Ludwigsfelde and MTU Maintenance Malaysia near Kuala Lumpur, today's Airfoil Services Sdn. Bhd.. Also in 1991, MTU and Pratt & Whitney sign a strategic alliance agreement to allow them to better cope with the challenges of the global marketplace in the field of commercial engines. In 1992 MTU Maintenance Berlin-Brandenburg in Ludwigsfelde launches the Pratt & Whitney Canada Customer Service Center, a joint venture with Pratt & Whitney Canada.

In November 1998, MTU launches MTU Maintenance Canada in Vancouver. Shortly afterwards, it establishes MTU Maintenance do Brazil, which has since been sold, and in 1999, MTU Aero Engine Design in Rocky Hill near East Hartford, Connecticut, in the U.S. In 2000, MTU adds MTU Maintenance Zhuhai in China's special economic zone of Zhuhai to its network of maintenance shops. A year later, it launches MTU Aero Engine Components (East Hartford).

In 2000, EADS (European Aeronautic Defence and Space Company) is founded, and DASA is incorporated into it. MTU München becomes a wholly-owned DaimlerChrysler unit and is renamed MTU Aero Engines GmbH.

In 2003, MTU pools its activities on the U.S. market and merges MTU Aero Engine Design and MTU Aero Engine Components to form MTU Aero Engines North America (MTU AENA). Early that year, MTU wins the German Industry's 23rd Innovation Prize for the high-pressure compressor (HPC) it developed for the PW6000



engine to power the small Airbus A318. In 2004, Kohlberg, Kravis & Roberts (KKR), an American private equity company, acquires the company and successfully takes MTU Aero Engines public in June 2005.

### **MTU Aero Engines today**

Today, MTU Aero Engines is a high-tech company that operates affiliates around the globe. In fiscal 2007 the company posted revenues in the amount of 2.6 billion euros. Taken across all locations, the company has a workforce of around 7,500 employees.

As compared with other industries, the qualification level of MTU's workforce is above average: the percentage share of skilled labor and university graduates is even higher than in the aircraft industry, a sector known for excellent qualification levels. MTU offers flexible working hours, telecommuting jobs and personal development training. The company promotes young high-potentials and women and provides comprehensive initial and continued training focusing on technical and social skills. At its Munich location, MTU operates a health services and a child daycare center. Among MTU's original responsibilities is that of training young people. In 2008, at 58 young men and women, MTU's Munich location enrolled more apprentices than ever before.

On time for the 75th anniversary, the company's museum reopened its doors in the spring of 2008: On an area of 850 square meters 30 exhibits are on display that reflect the history of powered aviation. The collection includes restored historic aero engines of which only a few copies have survived, today's aircraft engines and components and technologies that anticipate the future of aviation. It is considered one of the finest worldwide.



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