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## **MTU Aero Engines set to expand its presence in China**

- **Memorandum of Understanding signed with Chinese AVIC**
- **New MTU office in Shanghai**

Munich, November 27, 2009 – MTU Aero Engines is stepping up its activities in China and will be cooperating with Chinese engine manufacturer AVIC Commercial Aircraft Engine Co. Ltd. (ACAE). In a first step, ACAE and MTU will conduct a joint study to explore options of building a domestic aircraft engine industry in China. The study aims to evaluate what structure a local engine company should adopt to be viable and what technologies will be needed for emerging engines to be successful in the Chinese market.

"This way, we will be contributing our engine business expertise and know-how, which we've accumulated over many decades, at a very early stage," said Egon Behle, MTU CEO, on the occasion of the signing of a Memorandum of Understanding in Beijing. "Our objective is to further solidify and enhance our position in the Chinese engine industry." The services to be provided by MTU will be coordinated by an office that Germany's leading engine manufacturer has recently opened in Shanghai. With MTU Maintenance Zhuhai, a joint venture of MTU and China Southern Airlines, the German engine builder has already established a presence in China; meanwhile, the Chinese company has grown into the country's largest maintenance, repair and overhaul (MRO) shop for commercial engines.

As Chairman of the Board of ACAE, Zuoming Lin signed the MoU and said: "MTU is one of the world famous engine companies, with excellent employees and advanced technologies. There will be a 'win-win' future, if the two parties conduct a good cooperation".

Headquartered in Shanghai, ACAE was set up in 2009. Plans are that the company will develop and manufacture engines for future aircraft built by newly established Chinese airframer COMAC. ACAE is a subsidiary of AVIC bearing the responsibility for commercial aircraft engines and related products, including R&D, manufacture, final assembly, testing, sales, MRO, service, technological development and consulting.

With company locations in Germany, Poland, the U.S., Canada, China and Malaysia, MTU Aero Engines is one of the major global players in the engine industry. In



fiscal 2008, it had a total workforce of approximately 7,500 employees. A technology leader, MTU excels in low-pressure turbines and high-pressure compressors, as well as in manufacturing and repair techniques. Its Maintenance group of companies is the world's largest independent provider of commercial engine MRO services. This year, the German company, which looks back on a long tradition, is celebrating its 75th anniversary. Its official legal predecessor is BMW Flugmotorenbau GmbH, which was set up in Munich back in 1934.

Your contacts:

Eckhard Zanger  
Leiter Unternehmenskommunikation  
und Investor Relations  
Tel.: + 49 89 14 89-91 13  
Fax: + 49 89 14 89-21 72

Inka Koljonen  
Leiterin Investor Relations  
Tel.: + 49 89 14 89-83 13  
Fax: + 49 89 14 89-9 50 62

Claudia Heinle  
Investor Relations  
Tel.: + 49 89 14 89-39 11  
Fax: + 49 89 14 89-9 93 54

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