
MTU Aero Engines shows strong operating performance in the first quarter

- **Revenues up by 4 % to € 664.8 million**
- **EBIT increased by 17 % to € 80.5 million**
- **Net income stable at € 40.4 million**

Munich, May 3, 2011 – MTU Aero Engines Holding AG improved its revenues in the first quarter 2011 by 4 % to € 664.8 million (1-3/2010: € 640.2 million). The company's operating profit¹ rose by 17 % to € 80.5 million, compared with € 68.8 million in the same quarter of the previous year. This brought the operating margin up to 12.1 % compared with 10.7 % in the first three months of 2010. At € 40.4 million, net income² remained stable (1-3/2010: € 40.1 million).

Referring to the forecast for the financial year 2011, Egon Behle, CEO of MTU Aero Engines Holding AG, commented: "The growth in operating profit exceeds our forecast for the year as a whole, while net income has remained stable as expected. We expect the revenue growth rate to increase in the course of the year, as the sales mix variance continues to evolve. I thus remain optimistic that we will reach our targets and reaffirm our full-year forecast for 2011."

The increase in revenues compared with the first quarter 2010 is mainly attributable to strong growth in the commercial engine business, including spare parts sales. MTU's revenues in the commercial engine business increased by 17 % to € 309.6 million (1-3/2010: € 265.3 million), despite the delay in revenues from our series production business. The main sources of revenues from sales of new engines and spare parts were the V2500, which powers the Airbus A320 family, the PW2000 for the Boeing 757 and the C-17, the CF6-80C engine used to power the Boeing 747, Airbus A310 and Airbus A330 aircraft, and the GP7000 engine deployed in the Airbus A380. The GE90 engine for the Boeing 787 Dreamliner and 747-8 is also gaining in importance.

As expected, MTU's military engine revenues, which amounted to € 111.4 million compared with € 136.1 million in the first quarter 2010, reflect the impact of the defense budget cuts. The main source of revenues was the EJ200 Eurofighter engine.

Revenues in the commercial maintenance business increased by 3 % to € 251.6 million (1-3/2010: € 245.0 million), with the biggest contribution coming from the V2500 engine for the Airbus A320 family.

MTU's order backlog at March 31, 2011 stood at € 4,323.5 million (December 31, 2010: € 4,506.7 million) and was equivalent to 1.6 times annual revenues in 2010. The majority of new orders were for

¹ EBIT adjusted = earnings before interest and tax, calculated on a comparable basis

² Net income adjusted = earnings after tax, calculated on a comparable basis



the V2500 engine and the GEnx program. The most recently announced new orders for geared turbo-fan engines for the A320neo have not yet been added to the order backlog.

Earnings in the MRO segment improved substantially, with EBIT rising steeply by 44 % to € 20.5 million (1-3/2010: € 14.2 million). The EBIT margin increased by 2.3 percentage points to 8.1 %.

Operating profit in the OEM segment also improved significantly, growing by 15 % to € 60.5 million (1-3/2010: € 52.8 million). The EBIT margin improved to 14.4 %.

"Our good results are once again testimony to MTU's business strength," commented CFO Reiner Winkler. "Thanks to the improvements in efficiency resulting from our Challenge 2010 program, to a positive mix of spare-parts and series-production business, and to the improvement in MRO earnings, we were able to amply compensate for the effects of lower revenues in the military sector and the planned ramp-up in our R&D expenditure."

Compared with the first quarter 2010, MTU boosted its research and development expenditure by 25 % to € 64.5 million (1-3/2010: € 51.8 million), with company-funded expenditure growing by € 32.9 million (23 %) to € 40.4 million. The company's R&D activities were mainly focused on the PW1000G engine family for the Airbus A320neo, the Mitsubishi Regional Jet, the Bombardier CSeries and the Irkut MS-21, on the GEnx engine for the Boeing 787 Dreamliner and the Boeing 747-8, and on the GE38 engine for the Sikorsky CH-53K heavy-lift transport helicopter.

MTU succeeded in more than doubling its free cash flow, which grew from € 31.7 million at the end of March 2010 to € 70.9 million at the end of March 2011. "MTU is a company with strong cash flow," said Winkler, "Thanks to high cash inflows from operating activities, we were able to reduce our net financial debt and have been debt-free since the end of March."

In a quarterly year-on-year comparison, capital expenditure rose by 13 % to € 22.5 million (1-3/2010: € 19.9 million). In addition to capital expenditure on property, plant and equipment, this included capitalized development costs for the new PW1000G, GE38 and GEnx programs.

MTU's workforce remained largely unchanged, with 7,975 employees at March 31, 2011 compared with 7,907 at December 31, 2010.

MTU reaffirms its forecast for the financial year 2011. Revenues are expected to rise by 7-8 %, while the company expects both EBIT adjusted (2010: € 311.3 million) and net income adjusted (2010: € 182.3 million) to remain stable.



MTU Aero Engines – Key financial data for January through March 2011

(Figures quoted in million €, calculated on a comparable basis. Statements prepared in accordance with IFRS. Figures calculated on a comparable basis apply adjustments to the IFRS consolidated results to exclude restructuring and transaction costs, capitalized development costs and the effects of IFRS purchase accounting).

MTU Aero Engines	Q1 2010	Q1 2011	Change
Revenues	640.2	664.8	+ 3.8 %
of which OEM business	401.4	421.0	+ 4.9 %
of which commercial engine business	265.3	309.6	+ 16.7 %
of which military engine business	136.1	111.4	- 18.1 %
of which commercial MRO business	245.0	251.6	+ 2.7 %
EBIT (calculated on a comparable basis)	68.8	80.5	+ 17.0 %
of which OEM business	52.8	60.5	+ 14.6 %
of which commercial MRO business	14.2	20.5	+ 44.4 %
<i>EBIT margin (calculated on a comparable basis)</i>	<i>10.7 %</i>	<i>12.1 %</i>	
<i>in the OEM business</i>	<i>13.2 %</i>	<i>14.4 %</i>	
<i>in the commercial MRO business</i>	<i>5.8 %</i>	<i>8.1 %</i>	
Net income (calculated on a comparable basis)	40.1	40.4	+ 0.7 %
Earnings per share (undiluted)	€0.67	€0.69	+ 3.0 %
Free cash flow	31.7	70.9	+ 123.7 %
Research and development expenditure	51.8	64.5	+ 24.5 %
of which company-funded R&D	32.9	40.4	+ 22.8 %
of which externally funded R&D	18.9	24.1	+ 27.5 %
Capital expenditure	19.9	22.5	+ 13.1 %
	Dec. 31, 2010	Mar. 31, 2011	Change
Order backlog	4,506.7	4,323.5	- 4.1 %
of which OEM business	4,331.5	4,152.3	- 4.1 %
of which commercial MRO business	177.7	172.3	- 3.0 %
Employees	7,907	7,975	+ 0.9 %

MTU Aero Engines is the leading German manufacturer of aircraft engines and a major player in the industry. Together with its affiliates, MTU maintains a presence in all essential markets and regions. In the commercial engine sector, the company has close working ties with the world's major aero engine manufacturers – General Electric, Pratt & Whitney and Rolls-Royce. In the military sector, MTU is the lead industrial partner for almost every type of engine operated by the German armed forces, and an important partner in all major military aero engine programs in Europe. MTU Maintenance is the world's largest independent provider of maintenance services for commercial aero engines. MTU is a technological leader in high-pressure compressors, low-pressure turbines, manufacturing processes, and repair techniques.



Contacts:

Inka Koljonen

Director Investor Relations

Tel.: + 49 (0)89 14 89-83 13

Mobile: + 49 (0)89176-1001 6268

Claudia Heinle

Investor Relations

Tel.: + 49 (0)89 14 89-39 11

Mobile: + 49 (0)176-1001 8069

For a full collection of investor relations news, go to <http://www.mtu.de>

Press archive and photos: <http://www.mtu.de>

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. Actual results, performance or events may differ materially from those in such statements due to, without limitation, competition from other companies in MTU Aero Engines' industry and MTU Aero Engines' ability to retain or increase its market share, the cyclical nature of the airline industry, risks related to MTU Aero Engines' participation in consortia and risk and revenue sharing agreements for new aero engine programs, risks associated with the capital markets, currency exchange rate fluctuations, regulations affecting MTU Aero Engines' business and MTU Aero Engines' ability to respond to changes in the regulatory environment, and other factors. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. MTU Aero Engines assumes no obligation to update any forward-looking statement.