
Growth trend unabated: MTU with revenues and earnings increase after nine months

- Revenues up by 19% to €2,468.0 million
- Operating profit grows by 13%, earnings after tax by 17%
- Behle: “We have the right engines for further growth in our portfolio.”

Munich, October 23, 2012 – MTU Aero Engines Holding AG continues to grow: In the first nine months of 2012, the company posted an increase in revenues of 19% to €2,468.0 million (1-9/2011: €2,067.3 million). Operating profit¹ rose by 13% from €245.3 million to €278.0 million. The operating margin reached 11.3% after 11.9% in the equivalent period last year, while earnings after tax² also increased, climbing by 17% to €173.1 million (1-9/2011: €147.7 million).

“The good results achieved over the last nine months confirm our forecast for the whole year“, said Egon Behle, CEO of MTU Aero Engines Holding AG. “We therefore keep our targets for 2012.” MTU expects revenues of around €3.3 billion. Operating profit is expected to reach €370 million, net income around €225 million. (Revenues 2011: €2,932.1 million; EBIT adjusted 2011: €328.0 million; net income adjusted: €196.6 million).

All the business segments contributed to the increase in revenues:

Reporting an increase of 25% to €1,001.8 million (1-9/2011: €798.7 million), the commercial MRO business generated the strongest growth in revenues, the highest contribution coming from the V2500 for the Airbus A320 family.

Revenues in the commercial engine business, including spare part sales, were up by 18% from €970.0 million to €1,141.9 million. “In this segment we benefited from a contribution of around €50 million to revenues in the third quarter from our now higher stake of 16% in the V2500”, added Behle. The V2500 for the Airbus A320 family, the PW2000 for the Boeing 757 and C-17, and the A380 engine GP7000 generated the highest shares in revenues within the commercial engine and spare parts business.

In the military engine business MTU achieved an increase in revenues of 8% to €348.4 million (1-9/2011: €321.3 million). The principal source of these revenues was the Eurofighter engine EJ200.

MTU’s order backlog rose by 11% to €11,711.3 million (December 31, 2011: €10,537.1 million). That corresponds to a production workload of more than 3 years. Behle: “The PW1000G geared turbofan engine family and the V2500 have had a particularly positive impact on orders and will ensure future

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

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



growth. This shows that we have placed our confidence in the right engines through our stake in the PW1000G and our increased share in the V2500.” The V2500 is deployed in the current A320 family, while the PW1000G will power the Airbus A320neo, the Bombardier CSeries, the Mitsubishi Regional Jet and the Irkut MS-21.

MTU achieved the sharpest increase in profits in the commercial maintenance business, where adjusted EBIT climbed by 30% from €65.9 million to €85.6 million, while the EBIT margin rose from 8.3% to 8.5%. “Besides the favourable influence of exchange rate fluctuations the MRO result yet again reflects the increasing added-value content of shop visits”, comments CFO Reiner Winkler.

At €194.1 million (1-9/2011: €182.1 million), the operating profit generated by the OEM segment rose by 7%, reaching an EBIT margin of 13.0% (1-9/2011: 14.1 %).

In the first nine months of 2012, MTU’s research and development expenditure, before deduction of capitalized development costs, amounted to €173.5 million, following €183.4 million in the same period last year. As expected, the company-funded R&D expenditure recognized as an expense in the income statement fell to €79.4 million (1-9/2011: €96.5 million). The company’s R&D activities focused on geared turbofan technology.

Free cash flow amounted to €66.3 million (1-9/2011: €109.9 million). “We are thus well on the way to achieving our goal of attaining a free cash flow in the high double-digit million euro range for 2012 as a whole “, added Winkler.

At €63.8 million, MTU’s capital expenditure on property, plant and equipment was 12% higher in the first nine months than in the equivalent period of the previous year (1-9/2011: €57.1 million). This capital expenditure was utilized mainly for the construction of the new blisk production facility in Munich and for the purchase of technical equipment, plant and machinery.

At the end of September, MTU had 8,518 employees, 4% more than at year-end 2011 (December 31, 2011: 8,202 employees). Recruitment focused mainly on the company’s locations in Hanover, Berlin-Brandenburg and Canada.



MTU Aero Engines – key financial data for the first nine months of 2012

(Figures quoted in million €, calculated on a comparable basis. Statements prepared in accordance with IFRS.)

MTU Aero Engines	at Sept. 2011	at Sept. 2012	Change
Revenues	2,067.3	2,468.0	+ 19.4 %
of which OEM business	1,291.3	1,490.3	+ 15.4 %
of which commercial engine business	970.0	1,141.9	+ 17.7 %
of which military engine business	321.3	348.4	+ 8.4 %
of which commercial MRO business	798.7	1,001.8	+ 25.4 %
EBIT (calculated on a comparable basis)	245.3	278.0	+ 13.3 %
of which OEM business	182.1	194.1	+ 6.6 %
of which commercial MRO business	65.9	85.6	+ 29.9 %
<i>EBIT margin (calculated on a comparable basis)</i>	<i>11.9 %</i>	<i>11.3 %</i>	
<i>for OEM business</i>	<i>14.1 %</i>	<i>13.0 %</i>	
<i>for commercial MRO business</i>	<i>8.3 %</i>	<i>8.5 %</i>	
Net income (calculated on a comparable basis)	147.7	173.1	+ 17.2 %
Net income (reported)	116.7	160.4	+ 37.4 %
Earnings per share (undiluted, reported)	2.39 €	3.16 €	+ 32.2 %
Free cash flow	109.9	66.3*	- 39.7 %
Research and development expenditure	183.4	173.5	- 5.4 %
of which company-funded	116.0	113.3	- 2.3 %
of which outside-funded	67.4	60.2	- 10.7 %
<i>company-funded R&D recognized as expense</i>	<i>96.5</i>	<i>79.4</i>	<i>- 17.7 %</i>
Capital expenditure on property, plant and equipment	57.1	63.8	+ 11.7 %
	Dec. 31, 11	Sept. 30, 12	Change
Order backlog	10,537.1	11,711.3	+ 11.1 %
of which OEM business	4,776.6	5,786.4	+ 21.1 %
of which commercial MRO business	5,760.5	5,924.9	+ 2.9 %
Employees	8,202	8,518	+ 3.9 %

* excluding IAE share increase

About MTU Aero Engines

MTU Aero Engines is Germany's leading, the country's only independent engine manufacturer and an established global player in the industry. It engages in the development, manufacture, marketing and support of commercial and military aircraft engines and industrial gas turbines. The company is a technological leader in low-pressure turbines, high-pressure compressors, manufacturing processes, and repair techniques. In the commercial maintenance area, MTU Maintenance is the world's largest independent provider of engine maintenance services. In the military arena, MTU Aero Engines is Germany's industrial lead company for practically all engines flown by the country's military. MTU operates affiliates around the globe; Munich is home to its corporate headquarters. In fiscal 2011, the company had a workforce of some 8,200 employees and posted consolidated sales of more than 2.9 billion euros.



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