



**2nd Quarter Results 2005
MTU Aero Engines Holding AG**

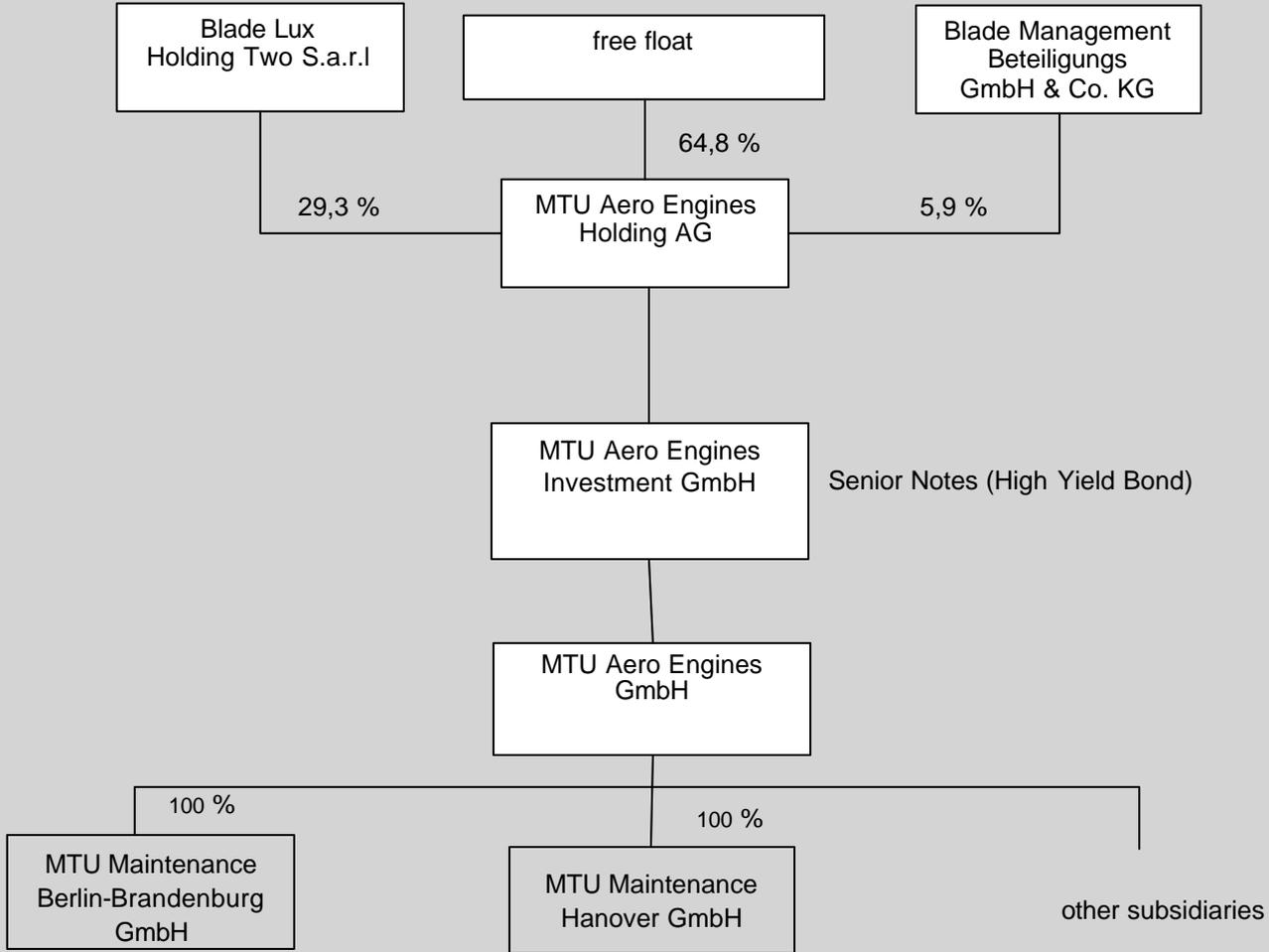
Presentation Telecon July 26, 2005

**prepared on the basis of IFRS
(unaudited)**

**Udo Stark CEO
Reiner Winkler CFO**

Highlights of Q2 2005 and H1 2005

IPO	<ul style="list-style-type: none">- 35,65m shares offered, Greenshoe exercised- Inclusion in MDAX in September possible- Coverage by UBS, Goldman Sachs, Deutsche Bank, Commerzbank, HypoVereinsbank, Cazenove, Sal Oppenheim, EXANE, Kepler, Chevreux
-----	--



Highlights of Q2 2005 and H1 2005

Presentation of financial information	All numbers exclude „Forex gains“ (€161m); adjustments in P&L in 2005: R&D release of provisions, restructuring
Order backlog	Order backlog increased by 10.4% to €3,763m in Q2 2005 from €3,408m in Dec. 2004, mainly due to new orders for GP7000, V2500 and PW2000.
Revenues	Revenues increased by 13.9% to €1,025.7m in H1 2005 from €900.8m in H1 2004 mainly due to new engine sales, particularly for the V2500 and the stronger MRO Business (increase Q2 2005 compared to Q2 2004: + €45.2m, + 9.6%)
Financial results	Adjusted EBITDA ^{*1)} increased by 58.6% to €102.3m in H1 2005 compared to €64.5m in H1 2004 mainly due to the higher income from ordinary activities (increase Q2 2005 compared to Q2 2004: +€11.0m, +18.9%)
Cash flow and cash position	Repayments of €56m on Revolving Credit Facility. IPO primary of €296m (after fees related to IPO) allowed repayment of Vendor Loan Note and Shareholder Loan, remainder of primary held in cash. Liquidity position: €114m Net financial debt: €235m Total net debt including pension liabilities: €605m

*1) Adjusted for restructuring and transaction costs, capitalized R&D expenditure, and IFRS purchase accounting.

Highlights of Q2 2005 and H1 2005

Organisational structure	Sale of ATENA (Revenues 2004: €30m, 451 employees) to AssystemBrime; Purchase price remains undisclosed.
--------------------------	--

\$ Exchange rate

Average exchange rate

Y 2004	Y 2003
1,2438	1,1304

Q1 2005	Q1 2004
1,3113	1,2046

Q2 2005	Q2 2004
1,2599	1,2043

USD daily average exchange rate from 01/02/2003 to 07/18/2005



Exchange rate at the end of per

Q1 2005	Q1 2004
1,2964	1,2224

Q2 2005	Q2 2004
1,2092	1,2155

31.Dec.2004	31.Dec.2003
1,3621	1,2630

1. Order backlog

Order backlog summary

(in € million)

Order backlog	H1 2005	Dec. 31, 2004	change
Military business	1,701	1,717	-16
Commercial business	1,874	1,519	355
Commercial MRO	188	172	16
Total	3,763	3,408	355

2. Revenues

Revenues summary

(in € million)

	Q2	Q2	change	change	H1	H1	change	change
	2005	2004		in %	2005	2004		in %
Military business	101	115	-14	-12 %	203	213	-10	-5 %
Commercial business	239	222	17	8 %	475	422	53	13 %
Commercial MRO	176	134	42	31 %	348	266	82	31 %
Total	516	471	45	10 %	1026	901	125	14 %

3. Profit & Loss

in € million	Q2 2005	Q2 2004	Change	H1 2005	H1 2004	Change
Revenues	516,0	470,8		1.025,7	900,8	
Total cost of sales	-462,9	-391,8		-908,3	-764,8	
Gross profit	53,1	79,0	-33%	117,4	136,0	-14%
Gross profit margin	10,3%	16,8%		11,4%	15,1%	
R &D company funded	-9,7	-12,6		-14,5	-31,9	
SG&A	-26,7	-36,9		-57,6	-103,1	
Other operating income (expense)	4,3	1,6		5,6	1,9	
EBIT reported	21,0	31,1	-32%	50,9	2,9	1655%
EBIT adjusted	30,3	22,5	35%	68,4	33,4	105%
Financial result	-17,4	-13,3		-39,1	-58,7	
Income from operating activities	3,6	17,8		11,8	-55,8	
Taxes	-1,9	-7,7		-5,1	21,3	
IFRS net income (before P&L transfer)	1,7	10,1	-83%	6,7	-34,5	-119%

Headcount = total workforce incl. temps



Observations

- total reduction of 1234 as of June 2005 compared to Dec. 31, 2003
- reduction of 783 (-10%) due to
 - hiring freeze
 - proactive staff reduction
 - realization of layoffs Munich
- Sale of ATENA end of June 05 (- 451)

Research & Development

in € million	Q2 2005	Q2 2004	Change	H1 2005	H1 2004	Change
company expensed R&D	18,0	37,1		31,0	81,0	
Release of R&D provision	-18,3	-24,5		-16,5	-49,1	
R&D according to IFRS	9,7	12,6	-23 %	14,5	31,9	-55 %
Customer funded R&D	22,9	18,3		41,8	30,7	
Total R&D	40,8	55,5	-26 %	72,8	111,7	-35 %

4. EBIT and EBITDA - Adjustments



EBIT summary

in € million	Q2 2005	Q2 2004	Change	H1 2005	H1 2004	Change
Income from ordinary activities	3,6	17,8		11,8	-55,8	
Financial results	17,4	13,3		39,1	58,7	
EBIT	21,0	31,1		50,9	2,9	
Depreciation and amortization	33,5	31,5		66,8	62,8	
EBITDA	54,5	62,6		117,7	65,7	
EBIT	21,0	31,1		50,9	2,9	
Restructuring costs	1,0	0,7		1,1	2,0	
R&D provision release	-8,2	-24,6		-16,5	-49,1	
Write up inventory (PA)	0,0	0,0			27,0	
Direct Transaction costs	0,0	0,6			18,9	
PPA amortisation	16,5	14,7		32,9	31,7	
Total adjustments	9,3	-8,6		17,5	30,5	
Adjusted EBIT	30,3	22,5	34,7%	68,4	33,4	104,8%
Depreciation and amortisation w/o PPA	17,0	16,8		33,9	31,1	
Adjusted EBITDA	47,3	39,3	20,4%	102,3	64,5	58,6%

Segmental information

in € million	Q2 2005	Q2 2004	Change	H1 2005	H1 2004	Change
OEM commercial	238,6	225,4	5,9%	480	431,6	11,2%
OEM military	102,2	115,2	-11,3%	202,8	213,2	-4,9%
MRO	178,6	135,6	31,7%	351,2	268,2	30,9%
consolidation	-3,4	-5,4		-8,3	-12,2	
Total revenues	516,0	470,8	9,6%	1025,7	900,8	13,9%
EBIT						
OEM commercial/military	16	29,9	-46,5%	39,2	8,1	384,0%
MRO	7,4	1,0	640,0%	13,5	-4,7	-387,2%
consolidation	-2,4	0,2		-1,8	-0,5	
EBIT reported	21,0	31,1	-32,5%	50,9	2,9	1655,2%

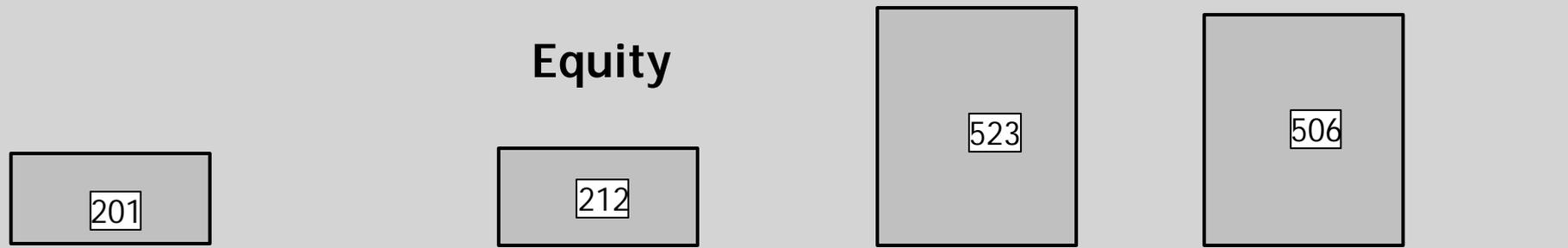
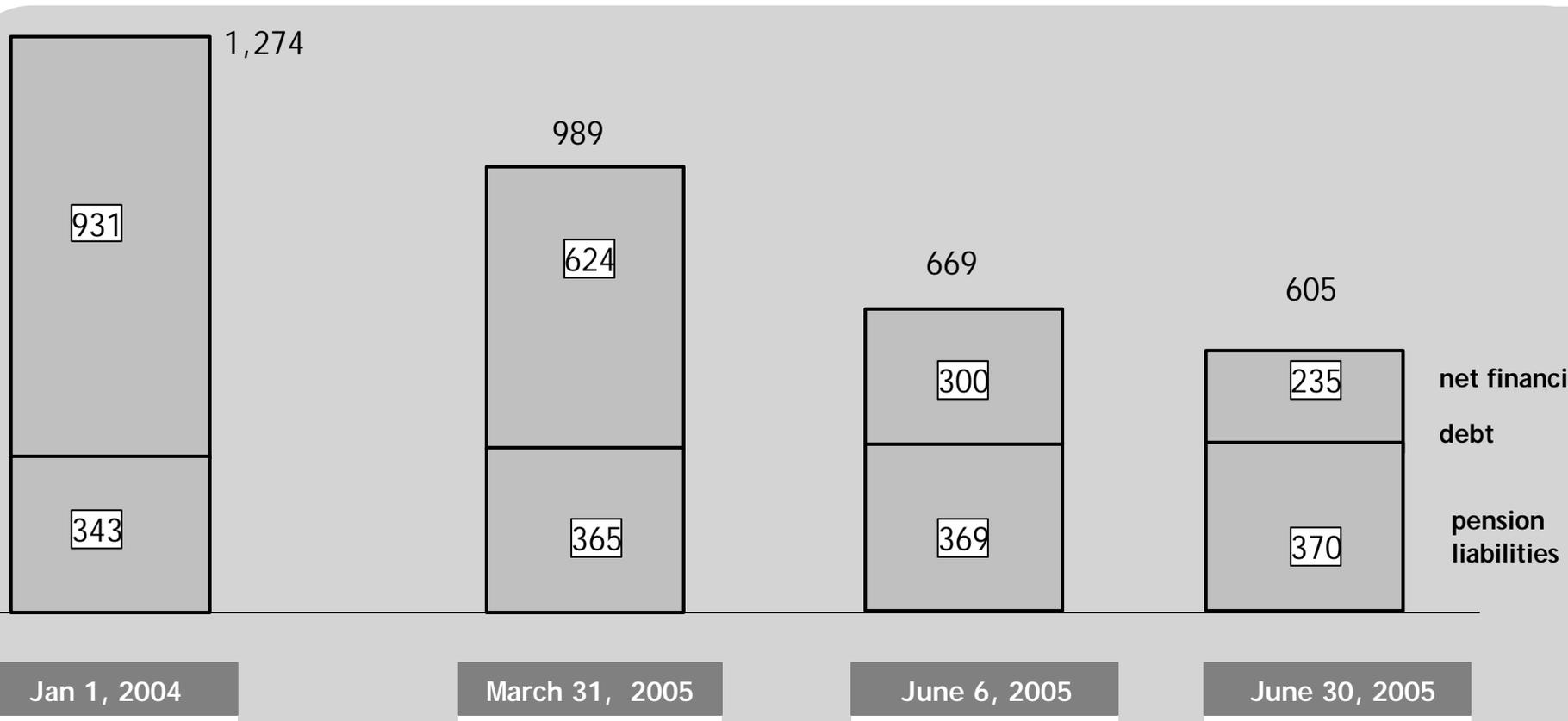
5. Cash Flow

Cash Flow - summary

	Q2 2005	Q2 2004	Change in %	H1 2005	H1 2004	Change in %
Net profit/loss	1,7	10,1		6,7	-34,5	
Depreciation and amortization	33,5	31,5		66,8	62,8	
Change in Provisions	12,4	-3,0		-0,2	-28,5	
Change in Working Capital	47,4	-37,9		157,5	86,4	
Change in non-cash taxes	-3,1	-5,4		2,1	-34,5	
Others	0,0	-1,3		-0,1	-0,8	
Cash Flow from operating activities	91,9	-6,0	1632%	232,8	50,9	357%
Cash Flow from investing activities	-17,8	-10,5		-28,3	-20,7	
Cash Flow from financing activities	-12,3	11,2		-126,3	25,6	
Change in cash and cash equivalents	69,6	-5,3		85,2	55,8	



Total net debt (incl pension liabilities)





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.

Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) competition from other companies in MTU's industry and MTU's ability to retain or increase its market share, (ii) MTU's reliance on certain customers for its sales, (iii) risks related to MTU's participation in consortia and risk and revenue sharing agreements for new aero engine programs, (iv) the impact of non-compete provisions included in certain of MTU's contracts, (v) the impact of a decline in German or other European defense budgets or changes in funding priorities for military aircraft, (vi) risks associated with government funding, (vii) the impact of significant disruptions in MTU's supply from key vendors, (viii) the continued success of MTU's research and development initiatives, (ix) currency exchange rate fluctuations, (x) changes in tax legislation, (xi) the impact of any product liability claims, (xii) MTU's ability to comply with regulations affecting its business and its ability to respond to changes in the regulatory environment, (xiii) the cyclical nature of the airline industry and the current financial difficulties of commercial airlines, (xiv) risks associated with the significant ownership of our equity by affiliates of Kohlberg Kravis Roberts & Co., (xv) our substantial leverage and (xvi) general local and global economic conditions. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

The company assumes no obligation to update any forward-looking statement.



Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “*Securities Act*”), and may not be offered or sold without registration thereunder or pursuant to an available exemption therefrom. Any public offering of securities of MTU Aero Engines to be made in the United States would have to be made by means of a prospectus that would be obtainable from MTU Aero Engines and would contain detailed information about the issuer of the securities and its management, as well as financial statements.

Neither this document nor the information contained herein constitutes an offer to sell or the solicitation of an offer to buy any securities.

These materials do not constitute an offer of securities for sale in the United States; the securities may not be offered or sold in the United States absent registration or an exemption from registration.

No money, securities or other consideration is being solicited, and, if sent in response to the information contained herein, will not be accepted.