Quarterly Financial Report
January 1 to March 31, 2009

MTU Aero Engines Holding AG, Munich

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Key Facts and Figures for the Group

in € million (unless otherwise specified)	2009	2008
Revenues and earnings		
Revenues	**693.1**	**630.0**
thereof: Commercial and Military engine business (OEM) [1]	398.8	379.4
thereof: Commercial maintenance business (MRO) [1]	302.4	258.3
Gross profit	**118.8**	**110.2**
Gross profit in %	17.1	17.5
Earnings before interest and taxes (EBIT)	**63.7**	**67.7**
EBIT in %	9.2	10.7
Adjusted earnings before interest and taxes (EBIT adjusted)	**75.2**	**80.0**
EBIT adjusted in %	10.8	12.7
Earnings after taxes (EAT)	**31.0**	**44.2**
Comprehensive income for the period	**13.8**	**46.5**
Order backlog and value of contracts (Previous year: Dec. 31)		
Order backlog and value of MRO contracts (order volume)	**9,245.4**	**9,245.7**
Commercial and Military engine business (OEM)	4,041.8	3,884.5
Commercial maintenance business (MRO)	5,203.6	5,361.2
Statement of financial position (Previous year: Dec. 31)		
Total assets	3,197.0	3,196.1
Equity	631.3	617.4
Equity ratio in %	19.7	19.3
Financial liabilities	343.8	336.4
Cash flow		
Cash flow from operating activities	59.8	62.1
Cash flow from investing activities	-24.4	-18.7
Free cash flow	35.4	43.4
Free cash flow as % of revenues	5.1	6.9
Cash flow from financing activities	-11.4	-67.1
Number of employees at quarter end	**7,588**	**7,156**
Commercial and Military engines business (OEM)	4,957	4,624
Commercial maintenance business (MRO)	2,631	2,532
Share data		
Earnings per share (in €)		
Undiluted earnings per share (in €)	0.64	0.88
Diluted earnings per share (in €)	0.62	0.85

[1]) before consolidation

General Economic Environment

Global economic conditions continue to deteriorate. The sharp drop in global trading since the end of 2008 is causing serious problems for export-reliant economies. In the midst of these difficult business conditions, the engine industry has so far proved to be more resilient in comparison with other industrial sectors.

Demand for aviation-related business has decreased in line with the economic downturn. The IATA forecasts losses for the airlines of US dollar 4.7 billion on revenues of US dollar 467 billion in 2009. Experts predict that air traffic volumes will drop by between 3 % and 6 % in 2009. Worldwide passenger numbers in February 2009 were down by approximately 10 % compared with same month one year ago. The decrease in air freight traffic appears to be stabilizing at around 20 %, which could be an indication that the lowest point has been reached. One positive item of news is the drop in fuel prices: the price of oil is currently approximately US dollar 50 a barrel – a level which experts predict will be the median value for 2009.

The airline companies are currently facing the challenges posed by weaker demand and a shortage of credit. On the other hand, lower energy costs are helping to reduce the pressure somewhat, particularly in the USA. In this situation, airlines need to come to terms with the two direct challenges: maintaining financial manoeuvrability and down-sizing capacities to changed market requirements. This may well result in postponements of aircraft deliveries and in the increased sidelining of existing aircraft.

As part of this process of reducing capacities, the airlines have been decommissioning older aircraft increasingly since mid-2008. This trend is not likely to be reversed, but could tail off if the price of kerosene remains at its current low level. The most modern aircraft and engine types will continue to enjoy high utilization rates and it therefore seems unlikely that these will be adversely affected by the economic downturn.

The number of business jets delivered fell by some 20 % towards the end of 2008, a trend that has continued during the early stages of 2009. Despite various negative announcements, it is expected that the actual number of aircraft delivered to customers during the first quarter of 2009 will correspond to approximately 75 % of the number delivered in the same period last year.

In total, Airbus and Boeing plan to deliver almost 950 aircraft to customers in 2009. This is the level that would have been achieved in 2008 if the strike at Boeing had not disrupted production for 57 days. Actual deliveries of the two aircraft manufacturers reached 850 units in 2008. With almost 230 aircraft delivered during the first three months of 2009, Airbus and Boeing have matched their first-quarter performance in 2008 and are therefore well on their way towards achieving their targets for the full year. Postponements and shortage of funding have so far not had any impact on the number of deliveries. The number of new aircraft ordered has decreased as expected, with the consequence that the order-book of approximately 7,000 aircraft at the end of the previous year has decreased by 3 %. With this volume of business in hand – almost double the number ordered at the end of 2002 (i.e. at the start of the most recent upswing) – and delivery rates on a par with 2002, the industry finds itself in a better position than it did during the last downturn.

1 Operating Environment

1.1 Business activities and markets

MTU Aero Engines Holding AG (MTU or “the company“) with its consolidated group of companies ranks among the world’s largest manufacturers of aircraft engines. In revenue terms, the company is the world’s largest independent provider of commercial aero engine maintenance services.

MTU operates in two principal segments: OEM business – which includes spare parts for commercial and military engines and military MRO – and Commercial MRO business.

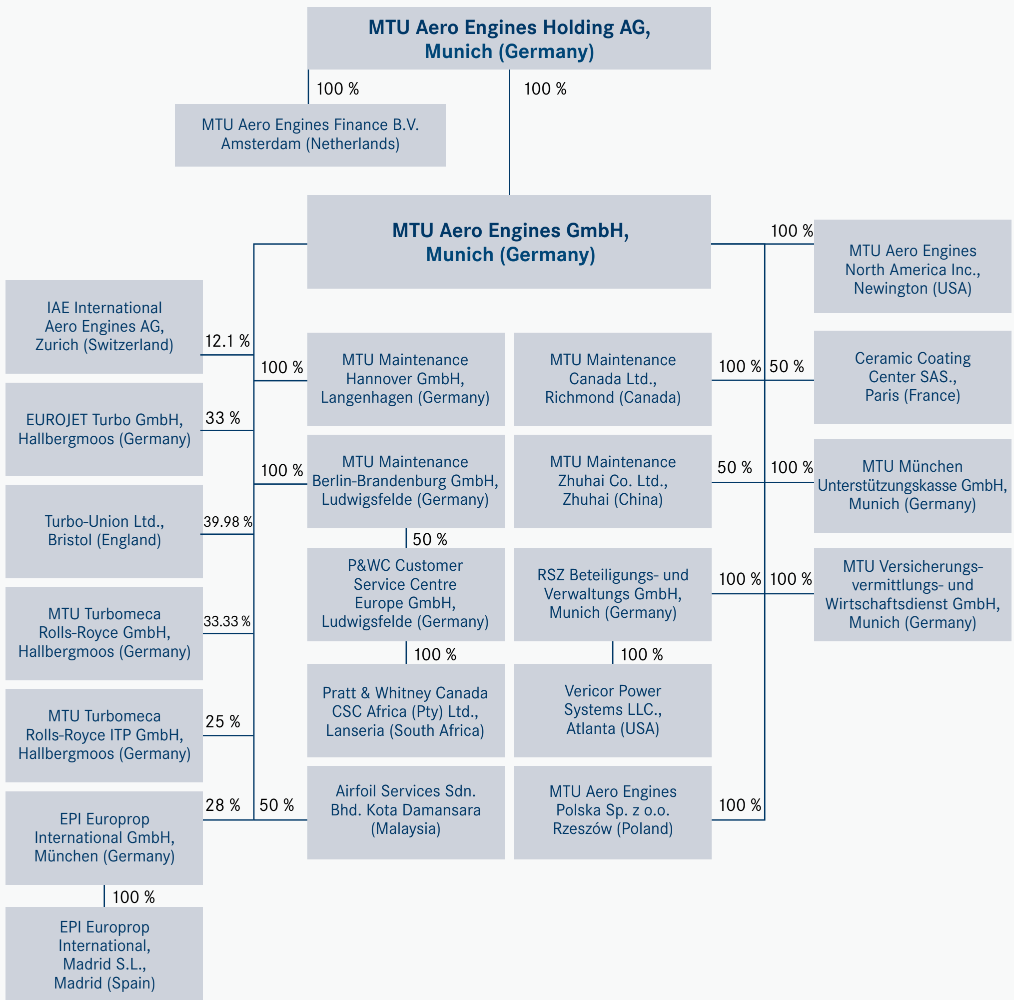
OEM business (Commercial and Military engines business)
MTU works in partnership with the world’s leading engine manufacturers - General Electric, Pratt & Whitney and Rolls-Royce – on programs to develop and manufacture commercial engines. It designs and manufactures modules and components and carries out final assembly work. Major engine programs at present include the GP7000 for the Airbus A380 and the V2500 for the Airbus A320 family. MTU’s work on engine modules is focused on low-pressure turbines and high-pressure compressors. The company is also active in the industrial gas turbine (IGT) sector, developing and manufacturing stationary gas turbines.

In the military domain, MTU develops and maintains engine modules and components, manufactures spare parts, supervises engine final assembly and provides maintenance services. As lead industrial partner to the German armed forces, the company provides support for virtually every type of aero engine in service with the Bundeswehr. MTU is the German partner in all major military engine programs at a European level, the most important of these being the EJ200 for the Eurofighter and the TP400-D6 for the new A400M military transporter.

MRO business (Commercial maintenance business)
All Commercial MRO activities are pooled in the MTU Maintenance Group, which repairs and overhauls aero engines and industrial gas turbines. The company is particularly active in the high-growth markets of the V2500, CF6, CFM56, CF34 and PW2000 programs and in the field of industrial gas turbines. Commercial MRO customers include airlines and IGT operators all over the world.

1.2 Organization and locations

Structure of the MTU Group



MTU Aero Engines Holding AG and its affiliates are present in the most important markets and regions. The global network of affiliates and associated companies, the maintenance business and the research and development activities are all controlled from the company's central offices in Munich, which is also the location of its main manufacturing site. This facility also develops, manufactures, assembles, tests and markets commercial and military engine components and modules, develops new manufacturing processes and repair techniques, and assembles and repairs military engines.

All the company's commercial MRO activities are pooled under MTU Maintenance. MTU Maintenance Hannover, based in Langenhagen, is the largest maintenance plant in the MTU network. It supports mid-sized and large commercial engines and provides services such as customer training and a 24-hour service.

Small engines and industrial gas turbines are supported by MTU Maintenance Berlin-Brandenburg, located at Ludwigsfelde near Berlin, which also assembles the TP400-D6 production engines for the A400M military transporter.

Further information concerning the activities of the group's foreign subsidiaries is provided in the Annual Report 2008 (pages 38 and 39).

2 Research and development

As a result of various new engine programs, expenditure on research and development during the first three months of the year increased to € 50.4 million. The research and development ratio, measured as R&D expenditure divided by revenues, increased by 1.3 percentage points to 7.3 % (first quarter 2008: 6.0 %). Technological changes within the aviation sector take place at an extremely rapid pace and require a continual source of innovation. Research and development expenditure will remain at a high level in 2009 and 2010.

Research and development expenses

in € million	Group Jan. 1 to March 31, 2009	OEM Jan. 1 to March 31, 2009	MRO Jan. 1 to March 31, 2009
Commercial engine business	30.1	30.1	
Commercial maintenance business	2.4		2.4
Commercial engine/maintenance business	**32.5**	**30.1**	**2.4**
Military engine business	**17.9**	**17.9**	
Research and development (before amounts capitalized)	**50.4**	**48.0**	**2.4**
R&D ratio (as % of revenues)	7.3	12.0	0.8

The amounts invested are sub-divided into company-funded and externally funded R&D expenditure. Company-funded expenditure is borne by the Group whereas externally funded expenditure is financed by customers. Company-funded expenditure is disclosed as R&D expense (see selected explanatory notes to the interim consolidated financial statements). By contrast, externally funded R&D activities are accounted as construction contracts for in accordance with IAS 11 due to the fact that the work is commissioned specifically by national and international consortia. First-quarter R&D expenditure of € 50.4 million (first quarter 2008: € 37.7 million) included € 30.4 million (first quarter 2008: € 14.5 million) relating to company-funded expenditure. Of this amount, € 28.0 million (first quarter 2008: € 13.0 million) related to Commercial and Military engines business (OEM). A total of € 1.7 million relating to the GE38 engine program was recognized as capitalized developments costs.

The first-quarter expense for Commercial maintenance business was € 2.4 million (first quarter 2008: € 1.5 million).

The following table analyzes the research and development expenses reported in the income statement (see selected explanatory notes to the interim consolidated financial statements).

Research and development expenses reported in income statement

in € million	Group Jan. 1 to March 31, 2009	OEM Jan. 1 to March 31, 2009	MRO Jan. 1 to March 31, 2009
Commercial engine business	25.8	25.8	
Commercial maintenance business	2.4		2.4
Military engine business	2.2	2.2	
Company-funded R&D	**30.4**	**28.0**	**2.4**
Capitalized development costs (OEM)	-1.7	-1.7	
Research and development expenses per income statement	**28.7**	**26.3**	**2.4**

3 Financial situation

3.1 Key figures at a glance

Key figures at a glance

in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Revenues	**693.1**	**630.0**
Cost of sales	-574.3	-519.8
Gross profit	**118.8**	**110.2**
Other expenses allocated to functions	-55.1	-42.5
Earnings before interest and taxes (EBIT)	**63.7**	**67.7**
Write-down on assets resulting from PPA	11.5	12.3
Adjusted earnings before interest and taxes (EBIT adjusted)	**75.2**	**80.0**
Finance result	-20.7	-1.7
Earnings before taxes (EBT)	**43.0**	**66.0**
Income taxes	-12.0	-21.8
Earnings after taxes (EAT)	**31.0**	**44.2**
Undiluted earings per share in €	**0.64**	**0.88**
Diluted earnings per share in €	**0.62**	**0.85**

Comprehensive income

in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Earnings after taxes (EAT)	**31.0**	**44.2**
Income and expenses recognized directly in equity	-17.2	2.3
Comprehensive income for the period	**13.8**	**46.5**

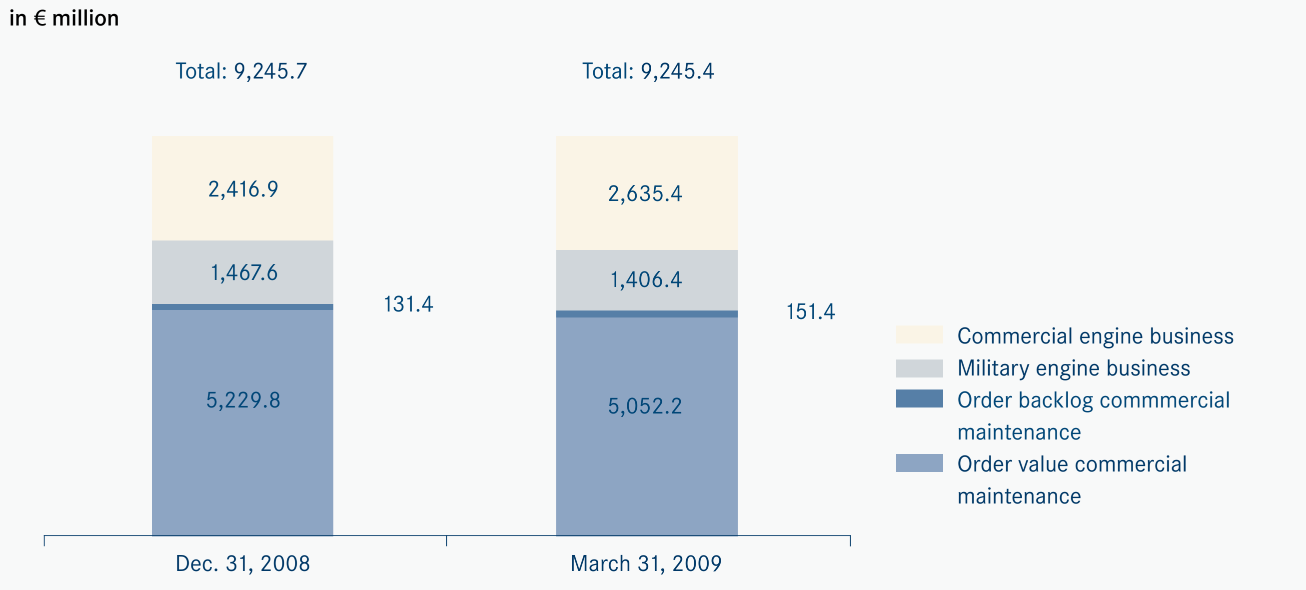
3.2 Order backlog and value of MRO contracts (order volume)

MTU's order backlog consists of firm orders placed directly by customers which commit the group to delivering products or providing services. Orders for maintenance work to be performed under the contractual terms of long-term, service agreements are not included in the order backlog for the Commercial MRO business. In order to obtain a picture of the economic value of the total contracted order volume and the corresponding degree of capacity utilization, the figures for the contracted value of service agreements in the Commercial MRO business are disclosed separately in addition to the backlog for Commercial and Military engine business (OEM) and the Commercial maintenance business (MRO).

Order backlog including value of MRO contracts (order volume)

in € million	March 31, 2009	March 31, 2008
Commercial engine business	2,635.4	2,416.9
Military engine business	1,406.4	1,467.6
Commercial and Military engine business (OEM)	**4,041.8**	**3,884.5**
Order backlog commmercial maintenance	151.4	131.4
Order value commercial maintenance	5,052.2	5,229.8
Commercial maintenance business (MRO)	**5,203.6**	**5,361.2**
Total	**9,245.4**	**9,245.7**

Order backlog including value of MRO orders



The group's order backlog including the value of MRO contracts (order volume) at March 31, 2009 totalled € 9,245.4 million (unconsolidated basis) and was therefore unchanged compared with order volume at December 31, 2008. The backlog for commercial engine business was € 218.5 million lower than at December 31, 2008. Due to the delivery of the second tranche of EJ200 engines for the Eurofighter, the order backlog for Military Engine business decreased by € 61.2 million during the period under report. The order-book for MRO business was € 177.6 million lower than at December 31, 2008.

The order backlog at March 31, 2009 corresponds to a workload of approximately three years. Excluding the value of MRO contracts, the backlog corresponds to a workload of just under one and a half years.

3.3 Operating results, financial situation and net assets

Group operating results for the three-month period to March 31, 2009

Revenues

Revenues for the period from January 1 to March 31, 2009 rose by € 63.1 million (10.0 %) to € 693.1 million. Commercial and Military engine business (OEM) revenues were up by € 19.4 million (5.1 %) while Commercial maintenance business (MRO) revenues increased by € 44.1 million (17.1 %). Adjusted for the US dollar impact (i.e. using the same exchange rate as in the corresponding period last year), first-quarter group revenues would have decreased by € 13.2 million (2.1 %).

Cost of sales and gross profit

First-quarter cost of sales increased by € 54.5 million (10.5 %) to € 574.3 million, therefore rising slightly faster than revenues. At a segment level, the cost of sales for the Commercial and Military engine business increased by € 21.5 million (7.4 %) to € 312.3 million (and therefore more pronounced than the increase in OEM revenues), whereas cost of sales for the Commercial maintenance business increased by € 35.5 million (15.0 %) to € 272.2 (and therefore less pronounced than the increase in MRO revenues).

Since revenues and cost of sales developed overall largely in line with each other, the first-quarter gross profit improved correspondingly by € 8.6 million (7.8 %) to € 118.8 million.

Research and development expenses

Research and development expenditure before capitalization of development costs totalled € 30.4 million in the period from January to March 2009, € 15.9 million (109.7 %) higher than one year earlier.

Selling and general administrative expenses

Selling expenses decreased by € 0.5 million whereas general administrative expenses increased by € 0.8 million compared with the corresponding period last year.

Amortization and depreciation

Depreciation and amortization included in expense lines by function in the first three months of the year totalled € 30.7 million (first quarter 2008: € 30.6 million). In order to adjust the operating result before financial result and taxes (EBIT) for amortization and depreciation on fair value adjustments recognized in conjunction with the purchase price allocation, reference is made to the reconciliation from EBIT to EBIT adjusted (see note 3.1).

Adjusted earnings before interest and taxes (EBIT adjusted)

The effects of the purchase price allocation resulting from the acquisition of the company (including any impairment losses subsequently recorded) are added back to earnings before interest and taxes (EBIT). This gives rise to adjusted earnings before interest and taxes (EBIT adjusted).

The EBIT adjusted for the first quarter of 2009 fell by € 4.8 million (6.0 %) to € 75.2 million (first quarter 2008: € 80.0 million), primarily reflecting increased research and development expenditure. The first-quarter R&D expense was up by € 14.8 million to € 28.7 million. The margin at an EBIT adjusted level was 10.8 % (first quarter 2008: 12.7 %).

Financial result

The financial result for the three-month period under report was a net expense of € 20.7 million, compared with € -1.7 million in the previous year. The deterioration was primarily attributable to the negative impact of the fair value measurement of financial instruments reported as part of the financial result on other items.

Earnings before taxes (EBT)

As a result of the reduction in earnings before interest and taxes (EBIT) and the increase in net finance expense, earnings before taxes (EBT) for the first three months of 2009 were down by € 23.0 million (34.8 %) to € 43.0 million (first quarter 2008: € 66.0 million).

Earnings after taxes (EAT)

Earnings after taxes (EAT) for the period from January 1 to March 31, 2009 decreased accordingly by € 13.2 million (29.9 %) to € 31.0 million (first quarter 2008: € 44.2 million).

Group comprehensive income

In the statement of group comprehensive income, the net profit (earnings after taxes) of € 31.0 million (first quarter 2008: € 44.2 million) is reconciled to the comprehensive income for the period of € 13.8 million (first quarter 2008: € 46.5 million). The overall decrease is due to the negative impact (after taxes) of the fair value measurement of financial instruments amounting to € 15.5 million (first quarter 2008: positive impact of € 4.0 million) and to net negative differences arising on the translation of the financial statements of consolidated group companies amounting to € 1.7 million (first quarter 2008: net negative differences of € 1.7 million).

Consolidated cash flow statement

The consolidated cash flow statement shows the sources and applications of cash flows for the period from January 1 to March 31, 2009, classified into cash flows from operating, investing and financing activities.

Consolidated cash flow statement

in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Cash flow from operating activities	59.8	62.1
Cash flow from investing activities	-24.4	-18.7
Free cash flow	**35.4**	**43.4**
Cash flow from financing activities	-11.4	-67.1
Other changes in funds	-1.6	0.6
Change in cash and cash equivalents	**22.4**	**-23.1**
Cash and cash equivalents at January 1	69.9	67.3
Cash and cash equivalents at March 31	92.3	44.2

Cash flow from operating activities

The cash flow from operating activities for the three-month period was almost unchanged at € 59.8 million (first quarter 2008: € 62.1 million). The reduction was largely due to the increased amount tied up in working capital and to higher income tax payments.

Cash flow from investing activities

The cash outflow for investing activities for the three-month period was € 24.4 million compared with € 18.7 million in the previous year. First-quarter capital expenditure on property, plant and equipment and intangible assets was up by € 7.1 million and € 1.4 million respectively. The increase in capital expenditure on property, plant and equipment was due to the production site in Poland. Proceeds from the sale of items of property, plant and equipment in the first quarter 2009 totalled € 3.0 million (first quarter 2008: € 0.2 million)

Free cash flow

Free cash flow (the sum of the cash inflow from operating activities and the cash outflow for investing activities) for the three-month period totalled € 35.4 million (first quarter 2008: € 43.4 million).

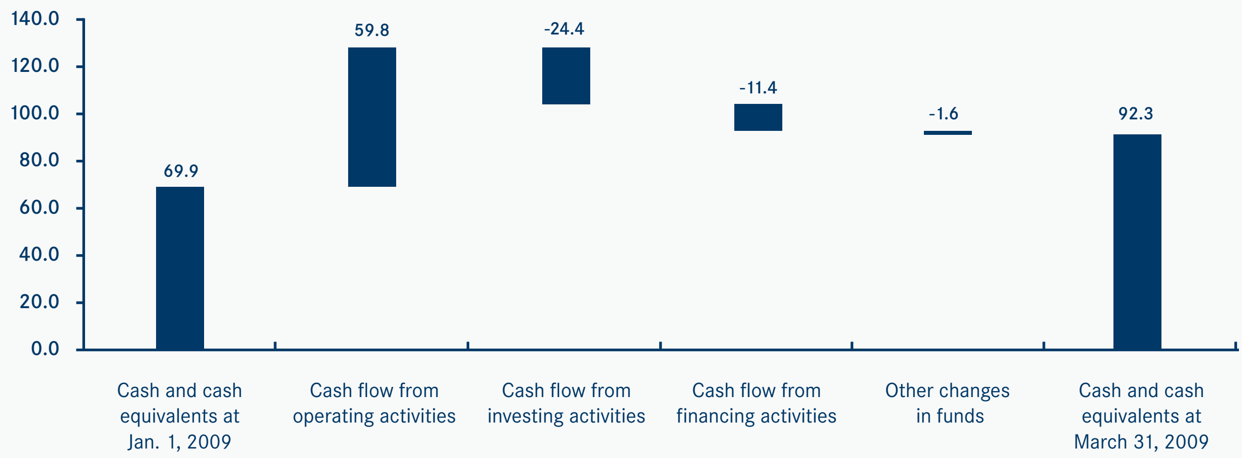
Cash flow from financing activities

The cash outflow from financing activities during the period from January to March 2009 was € -11.4 million compared with a cash outflow of € -67.1 million one year earlier. The RCF overdraft was reduced by € 11.8 million during the first quarter of 2009. The corresponding outflow of € 67.1 million recorded in the previous year resulted from the buy-back of treasury shares as well a the reduction of the RCF overdraft.

Cash and cash equivalents

After adjustment for the effects of exchange-rate fluctuations, the various cash flows resulted in an increase in cash and cash equivalents of € 22.4 million (first quarter 2008: decrease of € 23.1 million).

Analysis of cash inflows and outflows



Net financial liabilities

Net financial liabilities are calculated as gross financial liabilities less financial assets and represent a key figure for the group's liquidity position. Net financial liabilities decreased by € 7.8 million (3.1 %) during the first quarter 2009 to stand at € 246.9 million at March 31, 2009. This mainly reflected a reduction in the RCF overdraft and an increased level of cash and cash equivalents.

Net financial liabilities

in € million	March 31, 2009	Dec. 31, 2008
Convertible bond	143.1	145.4
Financial liabilities to banks		
Revolving Credit Facility (RCF)	49.4	61.2
Other bank credits	19.9	21.3
Financial liabilities to related companies	3.1	
Finance lease liabilities	32.3	34.0
Loan from the province of British Columbia to MTU Maintenance Canada	11.5	11.1
Retrospective purchase price adjustment	15.0	15.0
Negative fair values of derivative financial instruments	69.5	48.4
Gross financial debt	**343.8**	**336.4**
Cash and cash equivalents	92.3	69.9
Positive fair values of derivative financial instruments	4.6	11.8
Net financial liabilities	**246.9**	**254.7**

Net assets position

Changes in items in the Statement of Financial Position

Total assets were practically unchanged at March 31, 2009 compared with December 31, 2008.

Non-current assets decreased by € 10.6 million mainly as a result of amortization recognized on intangible assets. Current assets increased overall by € 11.5 million. This included a € 33.2 million increase in inventories and a € 21.2 million decrease in trade and contract production receivables. Current other assets decreased by € 20.7 million during the quarter mostly reflecting lower value added tax receivables.

As a result of the net positive cash flows, cash and cash equivalents increased during the first quarter of 2009 by € 22.4 million to € 92.3 million.

Group equity increased from € 617.4 million to € 631.3 million. On the one hand, it was increased by the group net profit (earnings after taxes) for the three-month period amounting to € 31.0 million. On the other, it was reduced by the € 17.2 million decrease in items recognized directly in equity. This related primarily to the fair value measurement of derivatives (reducing equity by € 15.5 million (after deferred taxes)) and translation differences (reducing equity by € 1.7 million).

The equity ratio, at 19.7 %, was marginally higher than at the end of the previous financial year (19.3 %).

Pension provisions increased by € 3.0 million in line with schedule.

Whereas non-current other provisions were unchanged, current other provisions were € 10.1 million higher than at December 31, 2008, mainly due to increased provisions for sales deductions and retrospective costs.

Income tax liabilities take account of advance payments made during the period.

Financial liabilities increased despite the reduction in the RCF overdraft. The main reason for the increase was the higher level of negative fair values of derivatives (see Note 26).

Trade payables were down by € 32.0 million to € 463.7 million due to timing factors at the period-end.

Contract production liabilities (net of receivables) increased by € 11.4 million to € 532.0 million.

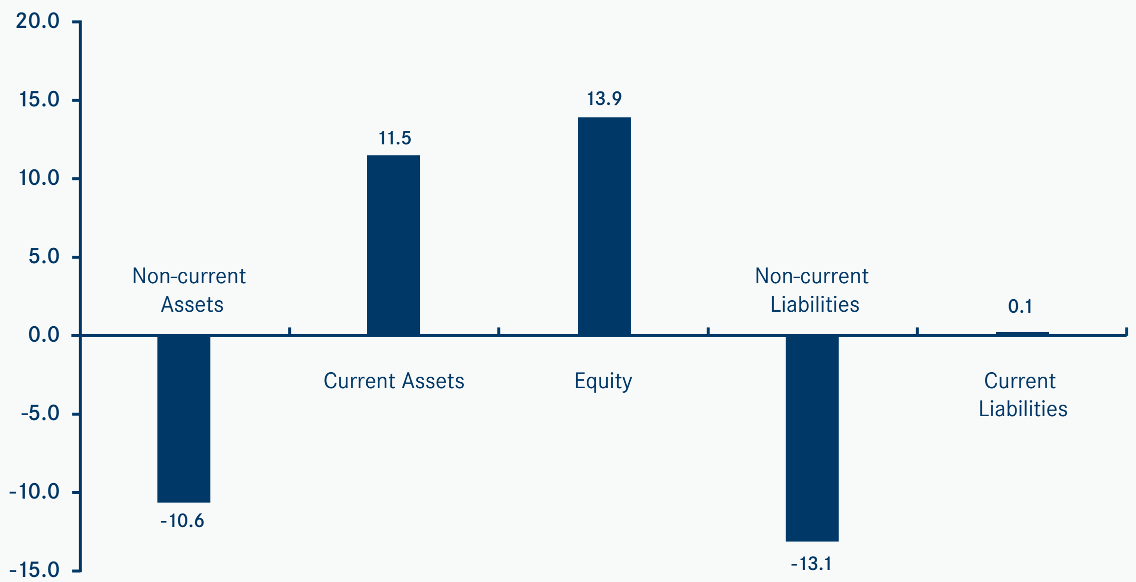
Other liabilities decreased by € 4.2 million to € 101.6 million reflecting lower other tax liabilities (down by € 7.2 million) and higher personnel-related obligations (up by € 2.6 million).

The following table shows the changes in assets and liabilities during the period from December 31, 2008 to March 31, 2009, analyzed by current and non-current items:

Change in Assets, Equity and Liabilities

(Statement of changes between December 31, 2008 and March 31, 2009)	€ million	€ million
Non-current Assets		-10.6
Intangible assets	-7.9	
Property, plant and equipment	2.8	
Financial assets	-5.3	
Financial assets accounted for using the equity method	0.4	
Other assets	0.1	
Deferred tax assets	-0.7	
Current Assets		11.5
Inventories	33.2	
Trade receivables	-73.4	
Contract production receivables	52.2	
Income tax assets	-1.0	
Financial assets	-1.9	
Other assets	-20.7	
Cash and cash equivalents	22.4	
Prepayments	0.7	
Change in Assets		0.9
Equity		13.9
Non-current Liabilities		-13.1
Provisions	3.0	
Financial liabilities	-5.3	
Contract production liabilities	2.5	
Other liabilities	1.4	
Deferred tax liabilities	-14.7	
Current Liabilities		0.1
Provisions	10.1	
Income tax liabilities	6.0	
Financial liabilities	12.7	
Trade payables	-32.0	
Contract production liabilities	8.9	
Other liabilities	-5.6	
Change in Equity and Liabilities		0.9

Change in Assets, Equity and Liabilities



3.4 Business Segments

Business performance by segments

in € million	2009	2008
Commercial and Military engine business (OEM)		
Revenues	398.8	379.4
Order backlog (Previous year: December 31, 2008)	4,041.8	3,884.5
Capital expenditure on property, plant and equipment and on intangible assets	20.0	7.1
Number of employees	4,957	4,624
Earnings before interest and taxes (EBIT)	44.5	61.8
Commercial maintenance business (MRO)		
Revenues	302.4	258.3
Order backlog and value of MRO contracts (Previous year: December 31, 2008)*)	5,203.6	5,361.2
Capital expenditure on property, plant and equipment and on intangible assets	7.4	11.8
Number of employees	2,631	2,532
Earnings before interest and taxes (EBIT)	18.1	7.4

*) includes value of orders (see explanation provided in the selected notes to the interim group management report; section 3.2)

Commercial and Military engine business (OEM segment)

Earnings performance for period from January 1 to March 31, 2009

Revenues

First-quarter revenues generated by the Commercial and Military engine business (OEM) segment totalled € 398.8 million, which was € 19.4 million (5.1 %) up on the previous year. Within those figures, revenues from Commercial engine business rose by € 19.3 million (7.3 %) to € 284.6 million, while revenues from Military engine business, at € 114.2 million, were at the previous year's level (first quarter 2008: € 114.1 million). Adjusted for the US dollar impact, revenues would have amounted to € 361.8 million and therefore € 17.6 million (4.6 %) lower than one year earlier.

Cost of sales and gross profit

Segment cost of sales include material and personnel expenses, scheduled depreciation and amortization, the change in inventories of work in progress and expenses charged to MTU by consortium leaders in return for marketing new engines. Cost of sales of the OEM segment in the first quarter 2009, at € 312.3 million, were € 21.5 million (7.4 %) higher than in the previous year (first quarter 2008: € 290.8 million). The gross profit decreased by € 2.1 million as cost of sales increased faster than revenues. The first-quarter gross margin percentage therefore fell from 23.4 % to 21.7 %.

Adjusted earnings before interest and taxes (EBIT adjusted)

As a result of the lower gross profit and the sharp increase in research and development expense, adjusted earnings before interest and taxes (EBIT adjusted) for the first three months of 2009 was down by € 18.1 million (24.8 %) to € 54.8 million and the adjusted margin fell to 13.7 %.

Commercial maintenance business (MRO segment)

Earnings performance for period from January 1 to March 31, 2009

Revenues

Revenues generated by the MRO segment in the period from January 1 to March 31, 2009 amounted to € 302.4 million, which was € 44.1 million (17.1 %) higher than in the corresponding quarter in 2008. Adjusted for the US dollar impact, revenues would have amounted to € 263.1 million.

Cost of sales and gross profit

Cost of sales for the first quarter increased by € 35.5 million (15.0 %) to € 272.2 million. Thanks to the increase in revenues, the gross profit improved by € 8.6 million (39.8 %) to € 30.2 million and the gross profit percentage edged up from 8.4 % to 10.0 %.

Adjusted earnings before interest and taxes (EBIT adjusted)

As a result of the increased gross profit, the segment's first-quarter adjusted earnings before interest and taxes (EBIT adjusted) improved by € 10.7 million (124.4 %) to € 19.3 million. The adjusted margin for the Commercial maintenance business segment improved to 6.4 % (first quarter 2008: 3.3 %).

3.5 Capital expenditure

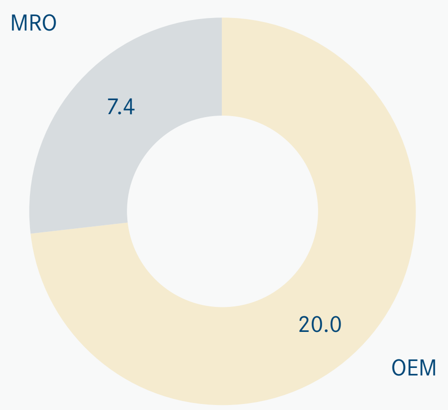
Capital expenditure during the first quarter of the year totalled € 27.4 million (first quarter 2008: € 18.9 million). This comprised € 20.0 million spent by the OEM segment (first quarter 2008: € 7.1 million) and € 7.4 million spent by the MRO segment (first quarter 2008: € 11.8 million).

Capital expenditure by segment

in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
OEM segment		
Intangible assets	2.0	
Property, plant and equipment	18.0	7.1
Total OEM segment	**20.0**	**7.1**
MRO segment		
Intangible assets		0.6
Property, plant and equipment	7.4	11.2
Total MRO segment	**7.4**	**11.8**
Total	**27.4**	**18.9**

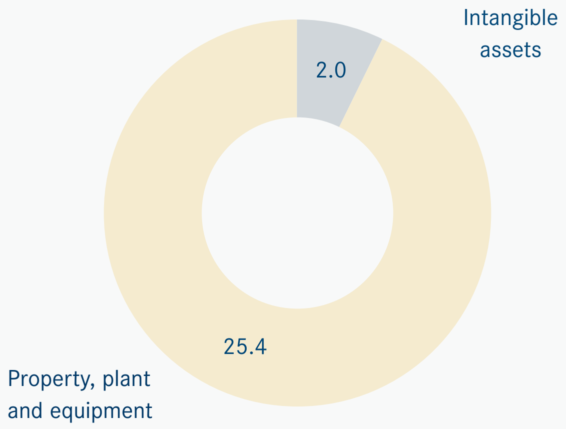
Capital expenditure by segment Jan. - March 2009

in € million



Capital expenditure by type of asset Jan. - March 2009

in € million



Capital expenditure in the OEM segment during the first three months of the year totalled € 20.0 million, comprising € 2.0 million on intangible assets (first quarter 2008: € 0.0 million) and € 18.0 million on property, plant and equipment (first quarter 2008: € 7.1 million).

Capital expenditure on intangible assets includes internally generated and capitalized development costs (€ 1.7 million) relating to the GE38 military engine for the Sikorsky CH-53K heavy-lift helicopter.

The higher level of capital expenditure for property, plant and equipment related mainly to the new site in Poland.

Capital expenditure of the MRO segment during the period from January 1 to March 31, 2009 (€ 7.4 million) related entirely to property, plant and equipment (first quarter 2008: € 11.2 million). The decrease was due to the completion of the new test-bed for large-sized engines at MTU Maintenance Hannover GmbH. Investments in intangible assets in the previous year (€ 0.6 million) related to specialized procedures to repair and maintain engines more economically.

3.6 Employees

At March 31, 2009, MTU had 7,588 employees. The workforce has therefore increased by a further 51 employees since December 31, 2008, with the increase mainly relating to the OEM segment.

At the end of the first quarter, 6,757 employees (89 %) worked for group companies in Germany and 831 employees (11 %) for group companies outside Germany.

4 Outlook and risk report

For information regarding the Group's opportunities and risk situation, reference is made to the Annual Report for the year ended December 31, 2008 (pages 102 to 117). Reference is also made to the disclaimer at the end of this quarterly financial report.

5 Report on significant transactions with related parties (entities and individuals)

MTU Group companies did not enter into any contracts with members of the Board of Management, the Supervisory Board or with other key management personnel or with companies in whose management or supervisory boards those persons are represented. The same applies to close members of the families of those persons.

Transactions with related entities are conducted on an arm's length basis.

6 Subsequent events

Events after the end of the reporting period (March 31, 2009)

There have been no significant events after the end of the interim reporting period (March 31, 2009) and prior to the date of authorization for issue of the quarterly financial report on April 20, 2009.

Consolidated Income Statement

in € million	(Notes)	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Revenues	(6)	693.1	630.0
Cost of sales	(7)	-574.3	-519.8
Gross profit		**118.8**	**110.2**
Research and development expenses	(8)	-28.7	-13.9
Selling expenses	(9)	-17.0	-17.5
General administrative expenses	(10)	-12.6	-11.8
Other operating income and expenses		3.2	0.7
Earnings before interest and taxes (EBIT)		**63.7**	**67.7**
Interest income		0.3	1.3
Interest expenses		-3.5	-4.9
Interest result	(11)	-3.2	-3.6
Result from equity accounted investments	(12)	0.4	0.5
Financial result on other items	(13)	-17.9	1.4
Financial result		**-20.7**	**-1.7**
Earnings before taxes (EBT)		**43.0**	**66.0**
Income taxes	(14)	-12.0	-21.8
Earnings after taxes (EAT)		**31.0**	**44.2**
Earnings per share in €			
Undiluted (EPS)	(15)	0.64	0.88
Diluted (DEPS)	(15)	0.62	0.85

Consolidated Statement of Comprehensive Income

in € million	(Notes)	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Earnings after taxes (EAT)		**31.0**	**44.2**
Translation differences		-1.7	-1.7
Changes in the fair value measurement of derivative financial instruments		-23.0	5.9
Deferred taxes recognized directly in equity		7.5	-1.9
Income and expenses recognized directly in equity		**-17.2**	**2.3**
Comprehensive income for the period	(16)	**13.8**	**46.5**

Consolidated Statement of Financial Position

Assets

in € million	(Notes)	March 31, 2009	March 31, 2008
Non-current assets			
Intangible assets	(17)	1,267.0	1,274.9
Property, plant and equipment	(18)	527.9	525.1
Financial assets	(19)	7.3	12.6
Financial assets accounted for using the equity method		4.0	3.6
Other assets	(23)	4.1	4.0
Deferred tax assets		0.7	1.4
Total non-current assets		**1,811.0**	**1,821.6**
Current assets			
Inventories	(20)	694.6	661.4
Trade receivables	(21)	387.0	460.4
Contract production receivables	(22)	191.1	138.9
Income tax assets			1.0
Financial assets		2.1	4.0
Other assets	(23)	14.9	35.6
Cash and cash equivalents		92.3	69.9
Prepayments		4.0	3.3
Total current assets		**1,386.0**	**1,374.5**
Total assets		**3,197.0**	**3,196.1**

Equity and Liabilities

in € million	(Notes)	March 31, 2009	March 31, 2008
Equity	(24)		
Subscribed capital		52.0	52.0
Capital reserves		354.6	354.5
Revenue reserves		356.3	325.3
Treasury shares		-100.1	-100.1
Other comprehensive income		-31.5	-14.3
Total equity and liabilities		**631.3**	**617.4**
Non-current liabilities			
Pension provisions		374.7	371.7
Other provisions	(25)	224.0	224.0
Financial liabilities	(26)	53.6	58.9
Contract production liabilities	(27)	275.5	273.0
Other liabilities	(28)	30.0	28.6
Deferred tax liabilities	(29)	212.9	227.6
Total non-current liabilities		**1,170.7**	**1,183.8**
Current liabilities			
Pension provisions		18.5	18.5
Income tax liabilities		29.0	23.0
Other provisions	(25)	265.5	255.4
Financial liabilities	(26)	290.2	277.5
Trade payables		463.7	495.7
Contract production liabilities	(27)	256.5	247.6
Other liabilities	(28)	71.6	77.2
Total current liabilities		**1,395.0**	**1,394.9**
Total equity and liabilities		**3,197.0**	**3,196.1**

Consolidated Statement of Changes in Equity

in € million	Sub-scribed capital	Capital reserves	Revenue reserves	Treasury shares	Other comprehen-sive income	Total
Balance at January 1, 2008	**55.0**	**460.0**	**191.9**	**-156.3**	**11.4**	**562.0**
Changes in the fair value measurement of derivative financial instruments					4.0	**4.0**
Translation differences					-1.7	**-1.7**
= Income and expenses recognized directly in equity					**2.3**	**2.3**
Earnings after taxes (EAT)			44.2			**44.2**
= Comprehensive income for the period			**44.2**		**2.3**	**46.5**
Capital reduction through cancellation of shares	-3.0	-101.4		104.4		
Acquisition of treasury shares				-30.8		**-30.8**
Matching Stock Program (MSP)		0.3				**0.3**
Balance at March 31, 2008	**52.0**	**358.9**	**236.1**	**-82.7**	**13.7**	**578.0**
Balance at January 1, 2009	**52.0**	**354.5**	**325.3**	**-100.1**	**-14.3**	**617.4**
Changes in the fair value measurement of derivative financial instruments					-15.5	**-15.5**
Translation differences					-1.7	**-1.7**
= Income and expenses recognized directly in equity					**-17.2**	**-17.2**
Earnings after taxes (EAT)			31.0			**31.0**
= Comprehensive income for the period			**31.0**		**-17.2**	**13.8**
Matching Stock Program (MSP)		0.1				**0.1**
Balance at March 31, 2009	**52.0**	**354.6**	**356.3**	**-100.1**	**-31.5**	**631.3**

Consolidated Statement of Cash Flows

in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Earnings after taxes (EAT)	31.0	44.2
Amortization of intangible assets and depreciation of property, plant and equipment	30.7	30.6
Profit/loss of companies accounted for at cost	-0.4	-0.5
Gains/losses on the disposal of property, plant and equipment	-1.3	0.1
Changes in pension provisions	3.0	4.6
Changes in other provisions	10.2	-6.0
Other non-cash items	5.4	-9.5
Movements in working capital [1])	-15.9	-10.1
Interest result	3.2	3.6
Interest paid	-5.8	-7.6
Interest received	0.3	1.3
Income taxes	12.0	21.8
Income taxes paid and received	-12.6	-10.4
Cash flow from operating activities	**59.8**	**62.1**
Capital expenditure on:		
Intangible assets	-2.0	-0.6
Property, plant and equipment	-25.4	-18.3
Proceeds from disposal of:		
Property, plant and equipment	3.0	0.2
Cash flow from investing activities	**-24.4**	**-18.7**
Free cash flow [2])	**35.4**	**43.4**
Increase/decrease in financial liabilities	-11.4	-36.3
Acquisition of treasury shares		-30.8
Cash flow from financing activities	**-11.4**	**-67.1**
Exchange rate	-1.6	0.6
Other changes in funds	**-1.6**	**0.6**
Change in cash and cash equivalents	**22.4**	**-23.1**
Cash and cash equivalents at January 1	69.9	67.3
Cash and cash equivalents at March 31	92.3	44.2

[1]) Change in inventories, trade receivables, contract production receivables, trade payables, contract production liabilities, other asset, advance payments to suppliers and other liabilities

[2]) Cash flow from operating activities less cash flow from investing activities

Group Segment Reporting

Segment information by operating segment

The activities of the MTU Group's operating segments as well as changes in the presentation of segment information are described in Notes 4 and 31 of this report. Reference is also made to the Annual Report of MTU Aero Engines Holding AG for the year ended December 31, 2008. Segment information for the period from January 1 to March 31, 2009 and for the corresponding prior year period is as follows:

Segment information by operating segment 2009

in € million	Commercial and Military engine business (OEM) Jan. 1 to March 31, 2009	Commercial maintenance business (MRO) Jan. 1 to March 31, 2009	Other group entities Jan. 1 to March 31, 2009	Consolidation/ reconciliation Jan. 1 to March 31, 2009	Group Jan. 1 to March 31, 2009
External revenues	392.8	300.3			693.1
Inter-segment revenues	6.0	2.1	1.9	-10.0	
Total revenues	**398.8**	**302.4**	**1.9**	**-10.0**	**693.1**
Cost of sales	**-312.3**	**-272.2**		**10.2**	**-574.3**
Gross profit	**86.5**	**30.2**	**1.9**	**0.2**	**118.8**
Earnings before interest and taxes (EBIT)	**44.5**	**18.1**	**-0.4**	**1.5**	**63.7**
Amortization/depreciation expense resulting from purchase price allocation	10.3	1.2			11.5
Adjusted earnings before interest and taxes (EBIT adjusted)	**54.8**	**19.3**	**-0.4**	**1.5**	**75.2**
Current amortization/depreciation expense	12.8	6.4			19.2
Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA adjusted)	**65.9**	**25.7**	**-0.4**	**1.5**	**92.7**
Result from equity accounted investments		0.4			0.4
Interest result and financial result on other items	-20.2	1.9	-2.9	0.1	-21.1
Earnings before taxes (EBT)	**22.8**	**21.9**	**-3.3**	**1.6**	**43.0**
Cash flow from operating activities	**-19.8**	**31.0**	**48.5**	**0.1**	**59.8**
Capital expenditure					
Intangible assets	2.0				2.0
Property, plant and equipment	18.0	7.4			25.4
Segment assets	**2,831.5**	**860.5**	**740.1**	**-1,235.1**	**3,197.0**
thereof: goodwill	308.0	101.0			409.0
thereof: equity accounted investments		4.0			4.0
Segment liabilities	**2,041.8**	**443.3**	**254.4**	**-173.8**	**2,565.7**
Significant non-cash expenses	**16.9**	**1.9**	**1.0**	**-0.1**	**19.7**
Employees, quarter average	4,957	2,631			7,588
Key segment data:					
Gross profit in %	21.7	10.0	100.0		17.1
EBIT in %	11.2	6.0	-21.1		9.2
EBIT adjusted in %	13.7	6.4	-21.1		10.8
EBITDA adjusted in %	16.5	8.5	-21.1		13.4

Segment information by operating segment 2008

in € million	Commercial and Military engine business (OEM) Jan. 1 to March 31, 2008	Commercial maintenance business (MRO) Jan. 1 to March 31, 2008	Other group entities Jan. 1 to March 31, 2008	Consolidation/ reconciliation Jan. 1 to March 31, 2008	Group Jan. 1 to March 31, 2008
External revenues	375.5	254.5			630.0
Inter-segment revenues	3.9	3.8	0.9	-8.6	
Total revenues	**379.4**	**258.3**	**0.9**	**-8.6**	**630.0**
Cost of sales	**-290.8**	**-236.7**		**7.7**	**-519.8**
Gross Profit	**88.6**	**21.6**	**0.9**	**-0.9**	**110.2**
Earnings before interest and taxes (EBIT)	**61.8**	**7.4**	**-1.4**	**-0.1**	**67.7**
Amortization/depreciation expense resulting from purchase price allocation	11.1	1.2			12.3
Adjusted earnings before interest and taxes (EBIT adjusted)	**72.9**	**8.6**	**-1.4**	**-0.1**	**80.0**
Current amortization/depreciation expense	12.7	5.6			18.3
Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA adjusted)	**85.6**	**14.2**	**-1.4**	**-0.1**	**98.3**
Result from equity accounted investments		0.5			0.5
Interest result and financial result on other items	5.0	-3.6	-3.6		-2.2
Earnings before taxes (EBT)	**65.3**	**5.8**	**-5.0**	**-0.1**	**66.0**
Cash flow from operating activities	**123.0**	**-42.1**	**-18.6**	**-0.2**	**62.1**
Capital expenditure					
Intangible assets		0.6			0.6
Property, plant and equipment	7.1	11.2			18.3
Segment assets	**2,760.9**	**917.3**	**744.7**	**-1,294.8**	**3,128.1**
thereof: goodwill	296.3	94.6			390.9
thereof: equity accounted investments		5.1			5.1
Segment liabilities	**1,939.1**	**541.7**	**305.4**	**-236.1**	**2,550.1**
Significant non-cash expenses	**14.3**	**2.1**	**1.0**		**17.4**
Employees, quarter average	**4,624**	**2,532**			**7,156**
Key segment data:					
Gross profit in %	23.4	8.4	100.0		17.5
EBIT in %	16.3	2.9	-155.6		10.7
EBIT adjusted in %	19.2	3.3	-155.6		12.7
EBITDA adjusted in %	22.6	5.5	-155.6		15.6

Disclosure by geographical region

The following table shows figures for the Group by geographical region:

Segment Information by geographical region 2009

in € million	Revenues Jan. 1 to March 31, 2009	Capital expenditure Jan. 1 to March 31, 2009	Assets March 31, 2009
Germany	111.3	20.2	2,821.2
Europe	82.6	6.5	216.0
North America	375.3	0.5	56.2
South America	25.6		
Africa	0.7		
Asia	86.7	0.2	99.6
Australia/Oceania	10.9		
Financial assets accounted for using the equity method			4.0
	693.1	**27.4**	**3,197.0**

Segment Information by geographical region 2008

in € million	Revenues Jan. 1 to March 31, 2008	Capital expenditure Jan. 1 to March 31, 2008	Assets March 31, 2008
Germany	137.2	18.4	2,811.9
Europe	89.9		182.9
North America	307.9	0.5	45.5
South America	13.3		
Africa	0.2		
Asia	76.2		82.7
Australia/Oceania	5.3		
Financial assets accounted for using the equity method			5.1
	630.0	**18.9**	**3,128.1**

Selected Explanatory Notes to the Interim Consolidated Financial Statements

1 General information

MTU Aero Engines Holding AG and its subsidiary companies (hereafter referred to as “Group” or “Group Companies“) comprise one of the world’s leading manufacturers of engine modules and components, and the world’s leading independent provider of Commercial engine MRO services.

The business activities of the Group cover the entire life-cycle of an engine program, i.e. from development, construction, testing and production of new commercial and military engines and spare parts, through to maintenance, repair and overhaul of commercial and military engines. MTU’s activities focus on two segments: “Commercial and Military engine business (OEM)” and “Commercial maintenance business (MRO)”.

MTU’s Commercial engine business covers the development and production of modules, components and spare parts for commercial engine programs, including final assembly. MTU’s Military engine business focuses on the development and production of modules and components for engines, production of spare parts and final assembly as well as maintenance services for these engines. Commercial maintenance business covers activities in the area of maintenance and logistical support for commercial engines.

MTU Aero Engines Holding AG with its headquarters at Dachauer Str. 665, 80995 Munich, Germany, is registered under HRB 157 206 in the Commercial Registry at the District Court of Munich.

2 Basis of preparation

In compliance with the provisions of § 37x (3) of the German Securities Trading Act (WpHG) in conjunction with § 37w (2) no. 1 and 2, (3) and (4) WpHG, MTU’s quarterly financial report comprises interim consolidated financial statements and an interim group management report. The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) relevant for interim financial reporting, as endorsed by the European Union (EU). The interim group management report has been drawn up in compliance with the applicable provisions of the German Securities Trading Act.

3 Statement of compliance

The interim consolidated financial statements as at March 31, 2009 have been drawn up in compliance with IAS 34. As permitted by IAS 34, MTU has elected to provide condensed information in its interim consolidated financial statements compared with the consolidated financial statements as at December 31, 2008. The same accounting policies have been applied as in the consolidated financial statements for the financial year 2008.

All of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and applicable at the end of the reporting period that have been applied by MTU in the interim consolidated financial statements have been endorsed by the European Commission for use in the EU. The interim consolidated financial statements therefore also comply with IFRSs issued by the IASB.

From the perspective of management, the quarterly financial report contains all customary accounting adjustments necessary for a fair presentation of the operating results, financial situation and net assets of the group. Reference is made to the notes to the consolidated financial statements as at December 31, 2008 for further information regarding the basis of preparation and accounting policies used.

The interim consolidated financial statements and interim group management report have neither been subject to a limited review by the group auditor nor audited in accordance with § 317 HGB.

4 Adjustments to the interim consolidated financial statements

IFRS 8 “Operating Segments“, which is mandatory for annual periods beginning on or after January 1, 2009, was published in November 2006. IFRS 8 replaces IAS 14 “Segment Reporting“ and – as part of the joint convergence project being conducted with the US Financial Accounting Standards Board (FASB) – brings the Standard into line with the rules contained in US GAAP Statement of Financial Accounting Standards No. 131. IFRS 8, which is only mandatory for companies listed on a stock exchange, requires operating segments to be identified on the basis of internally used criteria (the “management approach”). MTU adopted IFRS 8 with effect from the beginning of 2009 which has resulted in changes in way that segment information is reported. Further details are provided in the section on group segment information and in Note 31 of this report.

In September 2007, the IASB published a revised version of IAS 1 “Presentation of Financial Statements“ which is mandatory for annual periods beginning on or after January 1, 2009. The revised version of IAS 1 contains, amongst other things, changes in the presentation of non-owner changes in equity, the requirement in specific circumstances to present an opening statement of financial position for the earliest comparative period presented, new rules regarding the presentation of items recognized directly in equity (other comprehensive income) and new titles (which are not mandatory) for the various components of a full set of financial statements. The statement of changes in equity remains a separate component of the financial statements. Additional disclosures are, however, required on items recognized directly equity (the “two-statement approach”).

Comparative figures have been restated for the revised Standards adopted on January 1, 2009.

5 Consolidated companies

In total, six German and six foreign subsidiaries are included in the consolidated financial statements of MTU Aero Engines Holding AG. Pratt & Whitney Canada Customer Service Centre Europe GmbH, Ludwigsfelde, is consolidated at equity, and MTU Maintenance Zhuhai Co. Ltd., Zhuhai, China, is consolidated proportionately. Two subsidiaries are not consolidated on the grounds of immateriality. There were no changes in the group reporting entity compared with December 31, 2008.

Notes to the Consolidated Income Statement

6 Revenues

Revenues

in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Commercial engine business	284.6	265.3
Military engine business	114.2	114.1
Commercial and Military engine business (OEM)	**398.8**	**379.4**
Commercial maintenance business (MRO)	**302.4**	**258.3**
Other group entities/Eliminations	-8.1	-7.7
Total Revenues	**693.1**	**630.0**

7 Cost of sales

Cost of sales

in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Cost of materials	-452.6	-397.3
Personnel expenses	-80.4	-93.5
Depreciation and amortization	-27.5	-27.9
Other cost of sales*)	-13.8	-1.1
Total Cost of sales	**-574.3**	**-519.8**

*) relates primarily to the change in the inventories on work in progress and to the impact of exchange rates

8 Research and development expenses

Research and development expenses

in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Cost of materials	-12.9	-0.9
Personnel expenses	-15.7	-12.0
Depreciation and amortization	-1.8	-1.6
	-30.4	**-14.5**
Capitalized development costs (OEM)	1.7	
Capitalized development costs (MRO)		0.6
Total Research and development expenses	**-28.7**	**-13.9**

9 Selling expenses

Selling expenses		
in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Cost of materials	-2.3	-2.2
Personnel expenses	-11.3	-10.4
Depreciation and amortization	-0.8	-0.6
Other selling expenses	-2.6	-4.3
Total Selling expenses	**-17.0**	**-17.5**

Selling expenses mainly comprise expenses for marketing, advertising and sales personnel, valuation allowances and write-downs on trade receivables.

10 General administrative expenses

General administrative expenses		
in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Cost of materials	-1.8	-1.2
Personnel expenses	-8.1	-7.6
Depreciation and amortization	-0.6	-0.5
Other administrative expenses	-2.1	-2.5
Total General administrative expenses	**-12.6**	**-11.8**

General administrative expenses relate to expenditure for administrative functions that are not allocated to development, production or selling.

11 Interest result

Interest result		
in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Interest income	**0.3**	**1.3**
Interest expenses		
Bank interest	-0.8	-1.4
Convertible bond	-1.9	-2.2
Finance lease interest expense	-0.5	-0.6
Interest expense attributable to non-consolidated companies		-0.2
Other interest expenses	-0.3	-0.5
Interest expenses	**-3.5**	**-4.9**
Interest result	**-3.2**	**-3.6**

The improvement in the first-quarter interest result was attributable to the lower interest expense incurred for the convertible bond and lower interest paid to non-consolidated companies.

12 Result from equity accounted investments

Result from equity accounted investments		
in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Result from equity accounted investments	0.4	0.5
Result from equity accounted investments	**0.4**	**0.5**

The result from equity accounted investments includes the profit resulting from the joint arrangement Pratt & Whitney Canada Customer Centre Europe GmbH, Ludwigsfelde.

13 Financial result on other items

Financial result on other items		
in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Effects of changes of foreign exchange rates		
Exchange rate gains/losses on currency holdings	-0.1	-4.2
Exchange rate gains/losses on financing transactions	0.1	1.2
Exchange rate gains/losses on finance leases	-0.6	1.1
Fair value gains/losses on derivatives		
Gains/losses on currency derivatives and interest rate derivatives	-8.3	6.9
Gains/losses on forward commodity contracts	-2.4	2.4
Results from other financial instruments	0.1	-0.7
Interest portion included in measurement of receivables, provisions, liabilities and advance payments from customers	-6.7	-5.3
Financial result on other items	**-17.9**	**1.4**

The change in the first-quarter financial result on other items was mainly due to the fair value measurement of derivative financial instruments.

14 Income taxes

Income tax expense comprises the following:

Income taxes		
in € million	Jan. 1 to March 31, 2009	Jan. 1 to March 31, 2008
Current tax expense	-18.5	-21.7
Deferred tax income/expense	6.5	-0.1
Total Income taxes	**-12.0**	**-21.8**

15 Earnings per share

Potential ordinary shares that can be issued in conjunction with the convertible bond issued on February 1, 2007 had a diluting effect on earnings per share for the period from January 1 to March 31, 2009. By contrast, the Matching Stock Program (MSP) set up on June 6, 2005 did not have any diluting effect on earnings per share during the three-month period under report since the tranches still to be exercised were not “in the money” at the end of the reporting period. For the purposes of determining diluted earnings per share, the maximum number of shares that could be exercised in conjunction with conversion rights is added to the weighted average number of ordinary shares in circulation. All shares issued during the period under report are included on a weighted basis. In parallel, group earnings are adjusted by the amount of post-tax interest expense relating to the convertible bond.

The following tables show earnings per share as well as the dilutive impact of shares that could be issued in conjunction with the convertible bond and the Matching Stock Program.

Undiluted and diluted earnings per share for the quarters ended March 31, 2009 and 2008 were as follows:

Undiluted and diluted earnings per share for the quarter ended March 31, 2009

		Jan. 1 to March 31, 2009				Jan. 1 to March 31, 2009
		Undiluted earnings per share	Financial instruments reconciliation			Diluted earnings per share
			Interest expense convertible bond/shares	Current and deferred taxes	Matching Stock Program/ shares	
Earnings after taxes (EAT)	in € million	31.0	1.9	-0.6		32.3
Weighted average number of outstanding shares	shares	48,770,945	3,086,869		0	51,857,814
Earnings per share	**in €**	**0.64**				**0.62**

Undiluted and diluted earnings per share for the quarter ended March 31, 2008

		Jan. 1 to March 31, 2008				Jan. 1 to March 31, 2008
		Undiluted earnings per share	Financial instruments reconciliation			Diluted earnings per share
			Interest expense convertible bond/shares	Current and deferred taxes	Matching Stock Program/ shares	
Earnings after taxes (EAT)	in € million	44.2	2.2	-0.7		45.7
Weighted average number of outstanding shares	shares	50,096,666	3,636,364		63,927	53,796,957
Earnings per share	**in €**	**0.88**				**0.85**

16 Consolidated statement of Comprehensive Income

In the statement of group comprehensive income, the net profit (earnings after taxes) of € 31.0 million (first quarter 2008: € 44.2 million) is reconciled to the comprehensive income for the period of € 13.8 million (first quarter 2008: € 46.5 million). The overall decrease is due to the negative impact (after taxes) of the fair value measurement of financial instruments amounting to € 15.5 million (first quarter 2008: positive impact of € 4.0 million) and to net negative differences arising on the translation of the financial statements of consolidated group companies amounting to € 1.7 million (first quarter 2008: net negative differences of € 1.7 million).

Notes to the consolidated statement of financial position

17 Intangible assets

Intangible assets comprise program/product values and program-independent technologies recognized in conjunction with the purchase price allocation, participations in development programs, technical software and purchased goodwill.

During the first three months of 2009, expenditure on intangible assets totalling € 2.0 million (first quarter 2008: € 0.6 million) was capitalized. The increase related primarily to development work carried out on the GE38 engine program for the Sikorsky CH-53K heavy-lift helicopter (for further details, please refer to the section 2 „Research and development“).

The amortization expense for the three-month period amounted to € 12.1 million (first quarter 2008: € 11.8 million).

18 Property, plant and equipment

Capital expenditure for property, plant and equipment during the first three months of the year was € 25.4 million (first quarter 2008: € 18.3 million). Additions included the purchase of a PW2000 engine at the level of MTU Maintenance Hannover GmbH, Langenhagen, and acquisition costs relating to the new site in Poland. The depreciation expense for the first quarter amounted to € 18.6 million (first quarter 2008: € 18.8 million).

19 Financial assets

Financial assets decreased by € 6.8 million during the first quarter to stand at € 13.4 million (December 31, 2008: € 20.2 million). The decrease was mainly attributable to the fair value measurement of derivative financial instruments.

20 Inventories

Inventories comprise the following:

Inventories

in € million	March 31, 2009	December 31, 2008
Raw materials and supplies	332.5	311.5
Work in progress	332.0	322.2
Advance payments	30.1	27.7
Total Inventories	**694.6**	**661.4**

The increase in inventories mainly related to work in progress which had not been billed by the end of the reporting period.

21 Trade receivables

Trade receivables comprise the following:

Trade receivables

in € million	March 31, 2009	December 31, 2008
Third parties	356.2	415.9
Associated companies	29.2	41.5
Joint ventures	1.6	3.0
Total Trade receivables	**387.0**	**460.4**

22 Contract production receivables

Contract production receivables comprise the following:

Contract production receivables

in € million	March 31, 2009	December 31, 2008
Contract production receivables	464.8	386.2
of which relating to:		
Advance payments from customers	-273.7	-247.3
Net contract production receivables	**191.1**	**138.9**

23 Other assets

Other assets comprise:

Other assets

	March 31, 2009			December 31, 2008		
in € million	Current	Non-current	Total	Current	Non-current	Total
Other taxes	6.2		6.2	26.6		26.6
Receivables from employees	1.0		1.0	0.5		0.5
Receivables from suppliers	2.1		2.1	4.3		4.3
Sundry other assets	5.6	4.1	9.7	4.2	4.0	8.2
Total Other assets	**14.9**	**4.1**	**19.0**	**35.6**	**4.0**	**39.6**

Other taxes relate primarily to value added tax receivables.

24 Equity

Changes in equity are presented in the Consolidated Statement of Changes in Equity and in the Consolidated Statement of Comprehensive Income.

24.1 Subscribed capital

The Company's share capital amounts to € 52.0 million (December 31, 2008: € 52.0 million) and is divided into non par-value 52.0 million shares (December 31, 2008: 52.0 million shares).

24.2 Capital reserves

Capital reserves include premiums arising on the issue of shares, the equity component (and proportionate transaction costs) of the convertible bond and the fair values recorded for the Matching Stock Program.

Matching Stock Program (MSP)

In order to strengthen its ability to achieve business targets, the Group created the Matching Stock Program (MSP) as a long-term remuneration instrument – with both incentive and risk character – to involve management in the ownership of the company. The MSP entitles qualifying individuals to subscribe to so-called "Phantom Stocks". Participants in MSP must be in a non-terminated service or employment relationship with MTU Aero Engines Holding AG or one of its German subsidiaries at the date of subscription to such shares. The fair value of the Phantom Stocks is recognized on a time-apportioned basis as personnel expense and, at the same time, within equity (capital reserves) until the exercise date (vesting date). The total expense, recognized over the period until the Phantom Stocks are exercised, is determined on the basis of the fair value of the Phantom Stocks granted. The expense for the three-month period under report was € 0.1 million (first quarter 2008: € 0.3 million).

24.3 Revenues reserves

Revenue reserves comprise the retained earnings of consolidated group companies, and earnings after taxes (EAT) for the first three months of 2009 amounting to € 31.0 million (first quarter 2008: € 44.2 million). Revenue reserves increased by the amount of first-quarter earnings.

24.4 Treasury shares

Acquisition of treasury shares based on authorizations given at Annual General Meetings

The following table shows the number of treasury shares bought back and issued to employees under employee participation programs as well as the number of treasury shares and the issued share capital at the end of the reporting period.

Analysis of changes in shares and subscribed capital

in numbers of shares	Number of shares bought back	Shares issued to employees	Number of treasury shares held	Change in subscribed capital
Subscribed capital				**55,000,000**
Changes:				
Financial year 2006	-1,650,883		-1,650,883	
Financial year 2007				
Share buy-back	-2,732,139		-2,732,139	
Matching Stock Program (MSP)/June 2007		112,612	112,612	
Financial year 2008 (Jan. 1 to March 18, 2008)	-986,641		-986,641	
	-5,369,663	112,612	-5,257,051	
Capital reduction by cancellation of shares (on March 18, 2008)			3,000,000	-3,000,000
Status after capital reduction (March 18, 2008)	**-5,369,663**	**112,612**	**-2,257,051**	**52,000,000**
Financial year 2008 (March 19, 2008 - December 31, 2008)				
Share buy-back (from May 2 to December 31, 2008)	-1,164,963		-1,164,963	
Employee Stock Program (MAP)/June 2008		192,959	192,959	
Financial year 2009 (January 1, 2009 - March 31, 2009)				
Share buy-back			0	
Share buy-back/Employee shares Treasury shares and subscribed capital (at March 31, 2009)	**-6,534,626**	**305,571**	**-3,229,055**	**52,000,000**

Reconciliation of weighted average number of shares with the actual number of shares in circulation

As a result of the bought-back treasury shares, the issue of shares to group employees in conjunction with the exercise of the first tranche of the Matching Stock Program in the financial year 2007 and the MAP Employee Stock Program in the financial year 2008 as well as the share capital reduction carried out on March 18, 2008 by cancellation of shares, the weighted average number of shares in circulation during the first quarter 2009 was 48,770,945 shares (first quarter 2008: 50,096,666 shares). At March 31, 2009, a total of 48,770,945 MTU Aero Engines Holding AG shares were in issue (March 31, 2008: 49,742,949 shares).

The following table shows how the number of bought back shares, the month-end number of treasury shares and the weighted average number of shares in circulation have changed:

Reconciliation of weighted average number of shares with the actual number of shares in circulation

	2009			2008		
Number of shares	Balance at beginning of month	Buyback Exercise MSP Cancellation MAP	Balance at end of month	Balance at beginning of month	Buyback Exercise MSP Cancellation	Balance at end of month
Balance at January 1	**48,770,945**	**-6,229,055**		50,729,590	-4,270,410	
January	48,770,945		48,770,945	50,729,590	-337,168	50,392,422
February	48,770,945		48,770,945	50,392,422	-237,796	50,154,626
March	48,770,945		48,770,945	50,154,626	-411,677	49,742,949
Share buyback/ exercise of MSP*) MAP*)		**-6,229,055**			**-5,257,051**	
Shares cancelled		**3,000,000**			**3,000,000**	
Treasury shares March 31		**-3,229,055**			**-2,257,051**	
Weighted average March 31			**48,770,945**			**50,096,666**

*) including the issue of 112,612 shares to employees in June 2007 in conjunction with the Matching Stock Program (MSP) and the issue of 192,959 shares in June 2008 to group employees in conjunction with the Employee Stock Program (MAP)

24.5 Other comprehensive income

Other comprehensive income consists of all amounts recognized directly in equity resulting from the translation of the financial statements of foreign subsidiaries, the effects of recognizing changes in the fair value of financial instruments directly in equity (where the conditions for hedge accounting are met), net of related deferred income taxes recognized directly in equity.

25 Other provisions

Other provisions comprise primarily personnel-related obligations, pending losses on onerous contracts, warranties and tax obligations. Contingent liabilities are measured in accordance with IFRS 3.48 (b). As in the past, obligations arising from contingent liabilities are measured on the basis of periods of between nine and fifteen years. Provisions for pending losses on onerous contracts relate to risks concerning the order backlog for Military engine business and Commercial MRO business.

26 Financial liabilities

All derivative and non-derivative obligations of group companies at each period-end are reported as financial liabilities. They comprise the following:

Financial liabilities

in € million	Current: Due within one year		Non-Current: Due in more than one and less than 5 years		Non-Current: Due in more than 5 years		Total	Total
	March 31, 2009	Dec. 31, 2008	March 31, 2009	Dec. 31, 2008	March 31, 2009	Dec. 31, 2008	March 31, 2009	Dec. 31, 2008
Bonds								
Convertible bond *)	142.4	141.5					142.4	141.5
Interest liability on convertible bond	0.7	3.9					0.7	3.9
Liabilities to banks								
Revolving Credit Facility (RCF)	49.4	61.2					49.4	61.2
Other liabilities to banks	9.8	11.6	10.1	9.7			19.9	21.3
Liabilities to related companies	3.1						3.1	
Other financial liabilities								
Finance lease liabilities	6.5	8.3	8.8	8.3	17.0	17.4	32.3	34.0
Retrospective purchase price adjustment	15.0	15.0					15.0	15.0
Loan from the province of British Columbia to MTU Maintenance Canada	11.5	11.1					11.5	11.1
Derivative financial liabilities	51.8	24.9	17.7	23.5			69.5	48.4
Total Financial liabilities	**290.2**	**277.5**	**36.6**	**41.5**	**17.0**	**17.4**	**343.8**	**336.4**

*) Term to 2012. Reported as current liability due to conversion option.

The currency used to finance the Group is the Euro. This relates mainly to loans, a convertible bond issue and bank overdrafts (Revolving Credit Facility). As part of this facility, an overdraft facility of € 250.0 million is in place with a consortium of banks. As part of this credit facility, direct credit agreements for € 40.0 million (ancillary facilities) have been agreed directly with three banks.

As at March 31, 2009, the group has drawn down an amount of € 49.4 million (December 31, 2008: € 61.2 million) out of these bilateral credit facilities totalling € 120.0 million. Of the remaining credit facilities totalling € 200.6 million, a further € 18.7 million (December 31, 2008: € 16.9 million) are being utilized at March 31, 2009 for guarantees. Interest on credit lines actually drawn down is charged on the basis of customary interest reference rates plus a margin. A small commitment fee is paid on credit facilities which are not being utilized.

MTU Aero Engines Finance B.V., Amsterdam, Netherlands, has issued a convertible bond during the financial year 2007 with a total volume of € 180.0 million (divided into 1,800 partial bonds). In September and October 2008, MTU bought back convertible bonds (before their maturity date) with a nominal volume of € 27.2 million. Further information is provided in Note 34 in the Annual Report 2008. The security has a par value of € 100,000 per bond and a term to maturity of five years. The bonds can be converted into registered common shares of the company corresponding to a proportionate amount (€ 1 per share) of the company's total share capital. The bonds are entitled to receive profits from the beginning of the financial year in which they are issued and the subscription rights of existing shareholders are excluded.

At a conversion price of € 49.50, the conversion ratio at issue date was 2,020.20. The coupon rate is fixed at 2.75 %, payable yearly on February 1. The issuing company is Amsterdam-based MTU Aero Engines Finance B.V. which is wholly owned by MTU Aero Engines Holding AG.

The present value of the future contractually agreed cash flows under the Convertible Bonds Underwriting Agreement dated January 23, 2007 has been discounted using a market interest rate i.e. the rate the company would have had to pay if it had issued a non-convertible bond. The interest expense that will be recognized over the term of the convertible loan results from unwinding the obligation using the market interest (5.425 %) used to determine its present value.

27 Contract production liabilities

Contract production liabilities comprise the following:

Contract production liabilities

in € million	Current: Due within one year March 31, 2009	Current: Due within one year Dec. 31, 2008	Non-Current: Due in more than one and less than 5 years March 31, 2009	Non-Current: Due in more than one and less than 5 years Dec. 31, 2008	Non-Current: Due in more than 5 years March 31, 2009	Non-Current: Due in more than 5 years Dec. 31, 2008	Total March 31, 2009	Total Dec. 31, 2008
Advance payments received for contract production	384.6	356.0	421.1	411.9			805.7	767.9
of which relating to:								
Contract production receivables	-128.1	-108.4	-145.6	-138.9			-273.7	-247.3
Total Contract production liabilities	**256.5**	**247.6**	**275.5**	**273.0**			**532.0**	**520.6**

The increase in advance payments received for contract production related primarily to the EJ200 engine program for Saudi Arabia.

28 Other liabilities

Other liabilities comprise the following:

Other liabilities

in € million	Current: Due within one year March 31, 2009	Current: Due within one year Dec. 31, 2008	Non-Current: Due in more than one and less than 5 years March 31, 2009	Non-Current: Due in more than one and less than 5 years Dec. 31, 2008	Non-Current: Due in more than 5 years March 31, 2009	Non-Current: Due in more than 5 years Dec. 31, 2008	Total March 31, 2009	Total Dec. 31, 2008
Other taxes	9.3	16.5					9.3	16.5
Social security	1.8	1.8					1.8	1.8
Employees	43.0	40.6	3.5	3.3	0.5	0.5	47.0	44.4
Accrued interest expense			14.7	14.7			14.7	14.7
Sundry other liabilities	17.5	18.3	9.2	8.0	2.1	2.1	28.8	28.4
Total Other liabilities	**71.6**	**77.2**	**27.4**	**26.0**	**2.6**	**2.6**	**101.6**	**105.8**

Other taxes and social security liabilities

Other taxes relate primarily to payroll (including employees' solidarity surcharge) and church taxes. Social security liabilities relate mainly to contributions to employees‘ accident insurance associations and liabilities to health insurance agencies.

Employees

Liabilities to employees comprise holiday entitlements, flexi-time credits, obligations relating to pre-retirement part-time working arrangements as well as obligations resulting from earlier efficiency improvement programs. Obligations for profit-shares and bonuses, for specific liabilities relating to pre-retirement part-time working arrangements, for long-service awards and for structural measures taken in conjunction with the introduction of the ERA (Entgelt Rahmenabkommen – Framework Agreement on Pay) are included in other provisions.

Deferred interest

Non-current payments received on account from customers for contract production are discounted over the term of the advance payments using appropriate market interest rates and the deferred interest recognized as a liability within other liabilities until the engine is delivered. The interest expense relates to advance payments for long-term military contract production as well as payments on account relating to long-term commercial engine programs.

Sundry other liabilities

Sundry other liabilities include finance lease liabilities relating to engines which are made available to airlines on a temporary basis (as part of commercial MRO activities) while the airlines' own engines are being maintained or repaired. In addition, this line item includes numerous smaller individual obligations.

29 Deferred taxes

Deferred taxes in € million	March 31, 2009	Dec. 31, 2008
Deferred tax liabilities	212.9	227.6
Total Deferred tax liabilities	**212.9**	**227.6**

30 Contingent liabilities and other financial commitments

Contingent liabilities and other financial obligations at March 31, 2009 have not changed compared with the situation at the end of 2008. Information regarding the composition and nature of contingent liabilities and other financial obligations is provided in Note 43 of the Annual Report 2008.

31 Explanatory notes to operating segments

MTU adopted IFRS 8 “Operating Segments“ with effect from January 1, 2009 and has restated prior year figures accordingly. IFRS 8 replaces IAS 14 “Segment Reporting“ and applies the “management approach“ to segment reporting. Under this approach, information on operating segments is presented on the basis of an entity’s internal organizational and management structure. This is required to be based on information reported to the entity’s “chief operating decision maker” which in MTU’s case is the Board of Management.

Previously MTU had identified two reportable segments which were organized and managed separately according to the nature of their products and services, production processes, sales channels and customer profiles. Managers with responsibility for segment performance report directly to the Board of Management.

As a change from IAS 14, non-operating segments which are not classified as reportable segments pursuant to IFRS 8 are aggregated and presented as “Other group segments“ . As a result of the application of IFRS 8, the activities of MTU Aero Engines Holding AG, Munich, and MTU Aero Engines Finance B.V., Amsterdam, have therefore been identified as a third segment. Up to December 31, 2008, the business processes of these two holding companies were dealt with in the “Consolidation/reconciliation” column.

The group’s Commercial and Military Engine (OEM) segment develops, manufactures, assembles and sells commercial and military engines and components. This operating segment also performed repair and maintenance work for military engines.

The Group’s Commercial maintenance (MRO) segment overhauls and repairs commercial aircraft engines. As well as providing complete engine maintenance services, this operating segment also overhauls engine modules and carries out specialized repair work. In addition to aircraft engines, the group’s commercial engine entities also perform repair and maintain services for industrial gas turbines.

Inter-segment transactions are eliminated in the “Consolidation/reconciliation” column. MTU’s internal management and reporting complies with the principles of financial reporting in accordance with IFRS.

MTU measures segment performance primarily at the level of earnings before interest and taxes (EBIT). Inter-segment transfer prices are determined on the basis of arm‘s length terms and conditions.

Capital expenditure and depreciation/amortization relate to intangible assets and property, plant and equipment with finite useful lives. Segment assets and liabilities comprise in principle all assets and liabilities of the group, whereby items relating to more than one segment are eliminated in the “Consolidation/reconciliation” column.

32 Events after the end of the reporting period (March 31, 2009)

There have been no significant events after the end of the interim reporting period (March 31, 2009) and prior to the date of authorization for issue of the quarterly financial report on April 20, 2009.

Financial Calendar

Annual General Meeting for the fiscal year 2008	**May 26, 2009**
Conference Call on second quarter 2009 performance	**July 23, 2009**
2009 conference with analysts and investors	**September 25, 2009**
Conference Call on third quarter 2009 performance	**October 26, 2009**

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Translation

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- Further information about MTU Aero Engines Holding AG can be obtained via the Internet at: **www.mtu.de**
- Investor Relations information is available directly at **http://www.mtu.de/de/investorrelations/index.html**
- Information about MTU Aero Engines Holding AG's can be obtained at: **www.mtu.de/de/programme/index.html**

Disclaimer

This report contains forward-looking assertions which reflect the current view of the management of MTU with regard to future events. Those disclosures are characterized by terms such as “expect“, “is likely that“, “assume“, “intend“, “estimate“, “aim“, “set as target“, “forecast”, “outlook“ and similar phrases and generally include information relating to expectations or targets for revenues, (adjusted) EBIT or EBITDA or other performance measures. Forward-looking assertions are based on the latest forecasts, assessments and expectations. Such information should therefore be carefully considered. Assertions of this kind are subject to risk factors and uncertainties which are often difficult to assess and which are generally not within the control of MTU. Such factors may unfavorably affect revenues and expenses. If these or other risk factors and uncertainties do in fact materialize, or if the assumption on which assertions are based turn out to incorrect, MTU’s actual earnings may vary from those contained in, or implied by, these assertions. MTU cannot guarantee that expectations or targets will be met. MTU does not accept any responsibility for up-dating future-looking assertions by taking account of any new information or future events or other matters.

In addition to IFRS-based key figures, MTU also disclosures some non-GAAP key performance indicators (e. g. EBIT, EBIT margin, EBITDA, EBITDA margin, (where applicable EBIT adjusted, EBIT margin adjusted, EBITDA adjusted, EBITDA margin adjusted), free cash flow and gross/net financial liabilities) which are not covered by financial reporting standards. These key performance indicators should be seen as supplementary information and not a replacement for disclosures made in accordance with IFRS. Non-GAAP key performance indicators are not covered by IFRS or any other generally accepted set of financial reporting rules. Other entities may, under circumstances, use different definitions for these items.

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