



Q3 2016 Results

Conference Call with Investors and Analysts

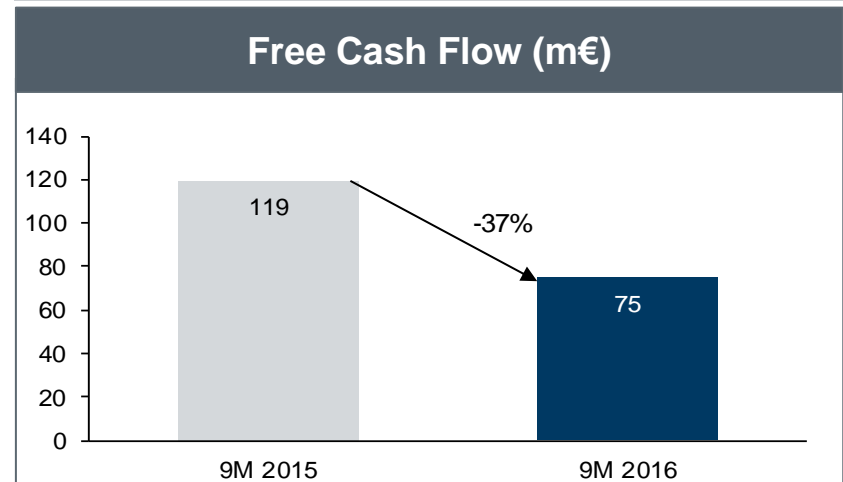
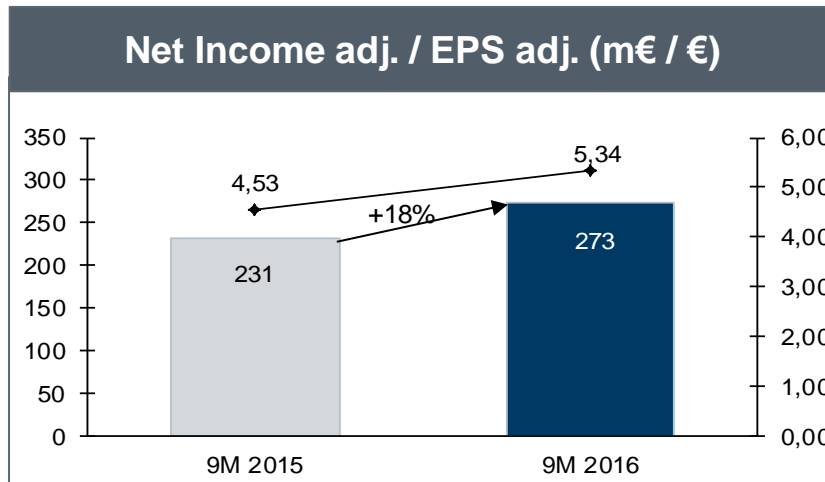
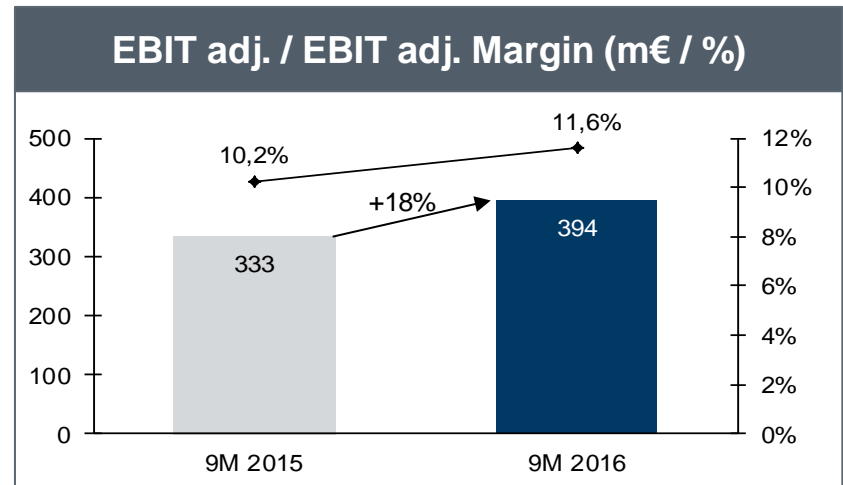
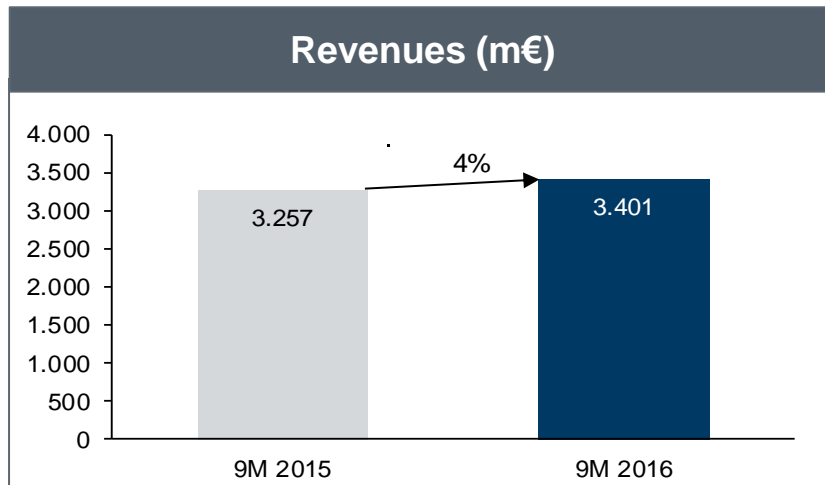
10/25/2016 – Investor Relations

Business Highlights Q3 2016



- Market environment remains encouraging
- GTF order book at 8,200 engines
- Flawless entry of “golden engines” for A320neo
- First final assembled GTF engine @ MTU delivered to Airbus
- GTF operated on two aircraft applications by 7 customers
- MoU for a potential MRO JV signed with Lufthansa Technik
- Outlook 2016 updated

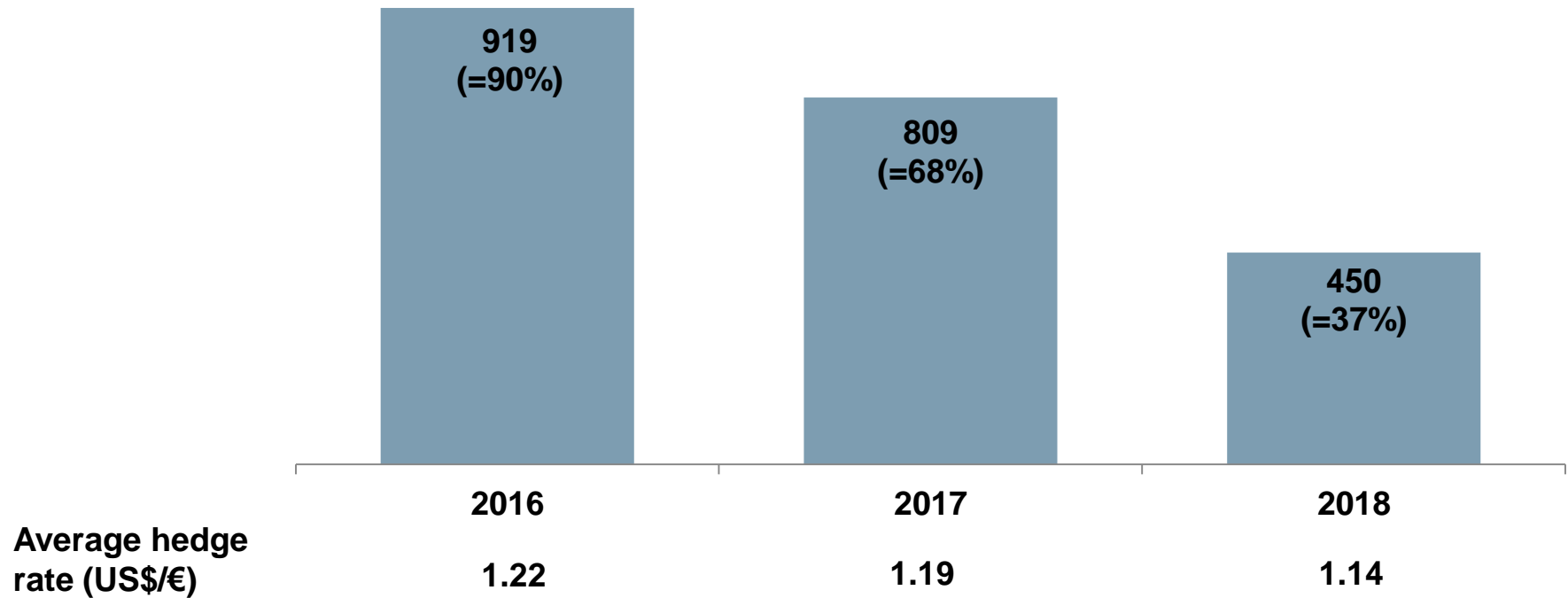
Financial Highlights 2016



US\$ Exchange Rate / Hedge Portfolio

Hedge book as of October 25 2016 (% of net exposure)

(in m US\$)



OEM Business Highlights in Q3 2016



- Ongoing strong momentum for GTF order activity
- First modified PW1100G-JM shipped to airline customers
- PW1100G-JM engines are flown by 6 customers in 5 different countries
- CSeries entered into service in July with launch customer Swiss Air
- MRJ starts flight testing in the USA with PW1200G
- 3rd Embraer E190-E2 joins flight test program
- Airbus received 1st final assembled PW1100G-JM engine by MTU
- First GE9x engine completed successfully initial test runs
- TP400 with enhanced propeller gearbox in production since July

OEM Segment

Order book	31/12/2015	30/09/2016	Change
Order book (m€)	6,830.6	5,842.9	-14%
Commercial Business (mUS\$)	6,888.5	6,123.4	-11%
Military Business (m€)	503.3	356.5	-29%
(m€)	9M 2015	9M 2016	Change
Revenues	2,138.7	2,095.1	-2%
Commercial Business	1,792.8	1,738.3	-3%
Military Business	345.9	356.8	3%
EBIT adj.	220.4	264.5	20%
<i>EBIT adj. Margin %</i>	<i>10.3%</i>	<i>12.6%</i>	

- Order book does not include recent order wins
- Underlying US\$ Commercial OEM revenues down low single digit due to delays of GTF deliveries
- EBIT margin at 12.6% supported by business mix effects



Commercial MRO Business Highlights in Q3 2016



- New contract wins of around US\$ 1.6 bn
- 10-year MRO contract worth US\$ 250m signed with Sky Regional Airlines
- Lufthansa Technik and MTU are exploring setting up a joint maintenance company
- Fourth consecutive quarter with record sales

Commercial MRO Segment

(mUS\$)	31/12/2015	30/09/2016	Change
Order book	6,165.4	5,926.6	-4%





(m€)	9M 2015	9M 2016	Change
Revenues	1,148.4	1,368.3	19%
EBIT adj.	112.4	129.0	15%
<i>EBIT adj. Margin %</i>	<i>9.8%</i>	<i>9.4%</i>	



- Organic revenues up high teens based on higher workload and material consumption
- EBIT margin at 9.4%



Guidance 2016 Update: Tailwind from lower OE deliveries and stronger Military and MRO performance

Military:	Slightly up (ex stable)	
New engine Sales (Com. OE):	Flat (ex mid single digit)	
Spare parts Sales (Com. Spares):	Mid single digit	
Commercial MRO:	Mid to high teens (ex ~10%)	
Revenues		~ 4.7 bn €
Tailwind from US\$ fx-rate due to improved Hedge book		
Slight headwind from Com. OE mix and R&D (P&L)		
EBIT adj.	(ex 480 m €)	~ 500 m €
Improved tax rate of 29%		
Net Income adj.	(ex 330 m €)	~ 340 m €
Free Cashflow		~ 70 m €

Appendix

Profit & Loss

(m€)	Q3 2015	Q3 2016	Change	9M 2015	9M 2016	Change
Revenues	1,055.0	1,102.1	4%	3,257.0	3,401.3	4%
Total Cost of Sales	-898.3	-930.7		-2,829.0	-2,896.0	
Gross Profit	156.7	171.4	9%	428.0	505.3	18%
<i>Gross Profit Margin</i>	<i>14.9%</i>	<i>15.6%</i>		<i>13.1%</i>	<i>14.9%</i>	
R&D according to IFRS	-21.9	-14.6		-46.2	-53.1	
SG&A	-38.2	-40.1		-117.5	-124.3	
Other operating income (expense)	2.0	0.7		6.3	3.6	
P&L of companies accounted "at equity and at cost"	8.1	9.8		21.3	24.7	
EBIT reported	106.7	127.2	19%	291.9	356.2	22%
EBIT adj.	120.3	139.7	16%	333.1	393.8	18%
<i>EBIT adj. margin</i>	<i>11.4%</i>	<i>12.7%</i>		<i>10.2%</i>	<i>11.6%</i>	
Financial Result	-7.1	-7.0		-52.0	-19.4	
Profit before tax (EBT)	99.6	120.2	21%	239.9	336.8	40%
Taxes	-51.8	-36.4		-88.1	-94.4	
Net Income reported	47.8	83.8	75%	151.8	242.4	60%
Net Income adj.	84.2	97.3		231.4	273.4	
EPS reported	0.93	1.63		2.97	4.73	
EPS adj.	1.65	1.90		4.53	5.34	

Reconciliation to adjusted Key Performance Indicators

(m€)	Q3 2015	Q3 2016	Change	9M 2015	9M 2016	Change
EBIT reported	106.7	127.2	19%	291.9	356.2	22%
Adjustment (PPA Depreciation & Amortization)	6.0	5.2		18.1	15.8	
Adjustment (IAE Upshare)	7.6	7.3		23.1	21.8	
EBIT adj.	120.3	139.7	16%	333.1	393.8	18%
<i>Thereof P&L of companies accounted "at equity"</i>	7.7	9.8	27%	20.8	23.9	15%
Interest Result	0.2	-2.5	<-300%	-0.8	-6.2	<-300%
Interests for pension provisions	-3.5	-4.1	-17%	-10.6	-12.3	-16%
EBT adj. w/o P&L "at equity"	109.3	123.3	13%	300.9	351.4	17%
Tax rate normalized	-30.0%	-29.0%		-30.0%	-29.0%	
Taxes	-32.8	-35.8		-90.3	-101.9	
Net Income adj.	84.2	97.3	16%	231.4	273.4	18%
EPS adj.	1.65	1.90	15%	4.53	5.34	18%

Segment Revenues and EBIT adj.

(m€)	Q3 2015	Q3 2016	Change	9M 2015	9M 2016	Change
Revenues Group	1,055.0	1,102.1	4%	3,257.0	3,401.3	4%
OEM Commercial	541.0	537.4	-1%	1,792.8	1,738.3	-3%
OEM Military	130.6	116.6	-11%	345.9	356.8	3%
MRO	394.2	475.0	20%	1,148.4	1,368.3	19%
Consolidation	-10.8	-26.9		-30.1	-62.1	
EBIT adj. Group	120.3	139.7	16%	333.1	393.8	18%
OEM (Commercial / Military)	81.2	95.0	17%	220.4	264.5	20%
MRO	38.9	44.5	14%	112.4	129.0	15%
Consolidation	0.2	0.2		0.3	0.3	
EBIT margin adj. Group	11.4%	12.7%		10.2%	11.6%	
<i>OEM (Commercial / Military)</i>	<i>12.1%</i>	<i>14.5%</i>		<i>10.3%</i>	<i>12.6%</i>	
<i>MRO</i>	<i>9.9%</i>	<i>9.4%</i>		<i>9.8%</i>	<i>9.4%</i>	

Research & Development

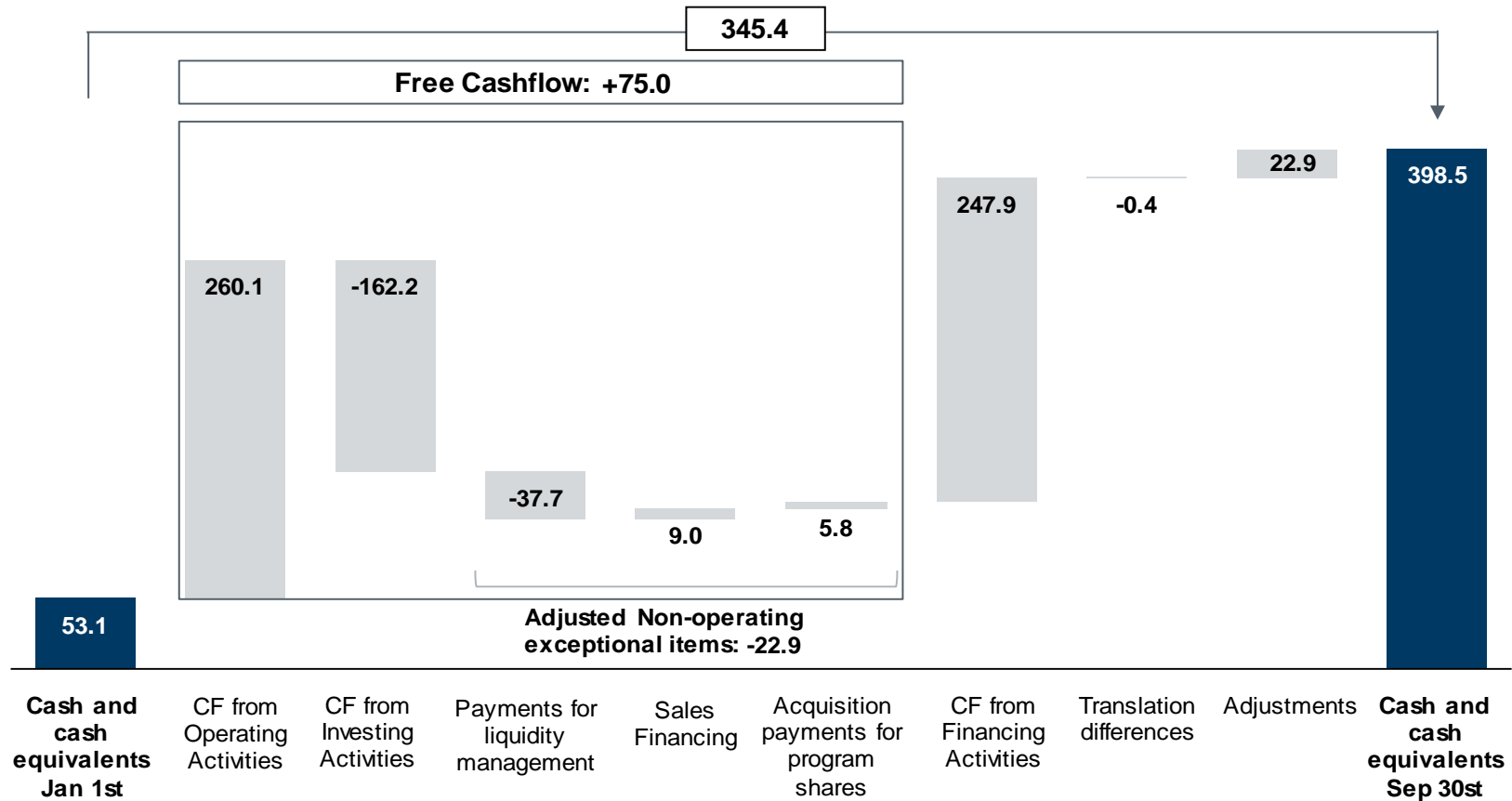
(m€)	Q3 2015	Q3 2016	Change	9M 2015	9M 2016	Change
Total R&D	53.8	44.3	-18%	155.8	157.9	1%
Customer funded R&D	-8.0	-8.4	-5%	-30.9	-30.8	0%
Company expensed R&D	45.8	35.9	-22%	124.9	127.1	2%
thereof OEM	44.2	35.1		120.9	123.4	
thereof MRO	1.6	0.8		4.0	3.7	
Capitalization of R&D	-23.9	-21.3		-78.7	-74.0	
thereof OEM	-23.9	-21.3		-78.7	-74.0	
thereof MRO	0.0	0.0		0.0	0.0	
R&D according to IFRS (P&L)	21.9	14.6	-33%	46.2	53.1	15%
Amortisation (COGS)	0.6	2.8		1.7	7.2	
Total R&D impact P&L	22.5	17.4	-23%	47.9	60.3	26%

Financial Result

(m€)	Q3 2015	Q3 2016	Change	9M 2015	9M 2016	Change
Interest Income	0.9	0.2	-78%	1.8	0.6	-67%
Interest Expense	-0.7	-2.7	-286%	-2.6	-6.8	-162%
Interest Result*	0.2	-2.5	<-300%	-0.8	-6.2	<-300%
Financial Result on other items	-7.3	-4.5		-51.2	-13.2	
<i>thereof interests for pension obligations*</i>	-3.5	-4.1		-10.6	-12.3	
<i>thereof fair value gains/losses on derivatives</i>	-0.9	2.4		-27.2	10.3	
Financial Result	-7.1	-7.0	1%	-52.0	-19.4	63%

*) Net Income adj. Includes interest Result and Interests for pensions obligations

MTU's Cash development January – September 2016



Cash Flow

(m€)	9M 2015	9M 2016	Change
Net Income IFRS	151.8	242.4	60%
Depreciation and amortization	118.0	131.7	
Change in provisions	68.7	123.9	
Change in Working Capital	-120.8	-196.7	
Taxes	13.4	-10.6	
Interest, derivatives, others	27.9	-30.6	
Cash Flow from operating activities	259.0	260.1	0%
Net Investment in intangible assets	-105.3	-87.9	
Net Investment in property, plant, equipment	-65.2	-91.5	
Net Investments in financial assets	-25.6	17.2	
Cash Flow from investing activities	-196.1	-162.2	17%
<i>Adjustments</i>	56.5	-22.9	
Free Cash Flow	119.4	75.0	-37%
Cash Flow from financing activities	-70.2	247.9	>300%
Effect of exchange rate on cash and cash equivalents	2.0	-0.4	
Change in cash and cash equivalents	-5.3	345.4	
Cash and cash equivalents at 30.09.	59.3	398.5	

Net financial debt at 863 m€

(m€)	31/12/2015	30/09/2016	Change
Bonds and notes	353.2	350.8	
Convertible bond	0.0	473.4	
Financial liabilities to bank	149.2	30.0	
<i>thereof Revolving Credit Facility</i>	119.1	0.0	
<i>thereof Note Purchase Agreement</i>	30.1	30.0	
Loans from related companies	0.0	0.9	
Finance lease liabilities	12.9	11.9	
Financial liabilities arising from program participation	531.4	476.7	
<i>thereof arising from IAE V2500 Upshare</i>	419.6	381.8	
Gross financial debt	1,046.7	1,343.7	28%
Cash and cash equivalents	53.1	398.5	
Loans to third parties	60.7	60.8	
Loans to related companies	13.8	21.2	
Securities	37.9	0.0	
Financial assets	165.5	480.5	190%
Net financial debt	881.2	863.2	-2%

Working Capital

(m€)	31/12/2015	30/09/2016	Change	Change in %
Gross inventories	894.0	940.5	46.5	
Prepayments	-373.8	-316.2	57.6	
Receivables	1,065.8	1,077.0	11.2	
Payables	-861.9	-780.5	81.4	
Working Capital	724.1	920.8	196.7	27%

Balance Sheet

(m€)	31/12/2015	30/09/2016	Change
Intangible Assets	2,214.0	2,236.0	
Property, Plant, Equipment	632.0	647.9	
other Non-current assets	298.4	341.8	
Total Non-Current assets	3,144.4	3,225.7	3%
Current assets	2,043.9	2,424.2	19%
Total assets	5,188.3	5,649.9	9%
Equity	1,300.6	1,438.4	11%
Non-Current Liabilities	1,735.2	2,008.2	16%
Current Liabilities	2,152.5	2,203.3	2%
Total Equity and Liabilities	5,188.3	5,649.9	
<i>thereof Pension Provisions</i>	<i>801.7</i>	<i>960.2</i>	

PPA Depreciation / Amortization (in m€)

(in m€)	Q3 2015	Q3 2016	9M 2015	9M 2016
Total depreciation / amortization				
OEM	31.9	35.8	96.9	103.7
MRO	7.8	9.0	23.9	25.9
MTU total	39.7	44.8	120.8	129.6
PPA depreciation / amortization & IAE Upshare amortization (EBIT adjustments)				
PPA OEM	5.4	4.6	16.3	14.0
PPA MRO	0.6	0.6	1.8	1.8
IAE Upshare OEM	7.6	7.3	23.1	21.8
MTU total	13.6	12.5	41.2	37.6
Depreciation / amortization w/o PPA and w/o IAE Upshare				
OEM	18.9	23.9	57.5	67.9
MRO	7.2	8.4	22.1	24.1
MTU total	26.1	32.3	79.6	92.0

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