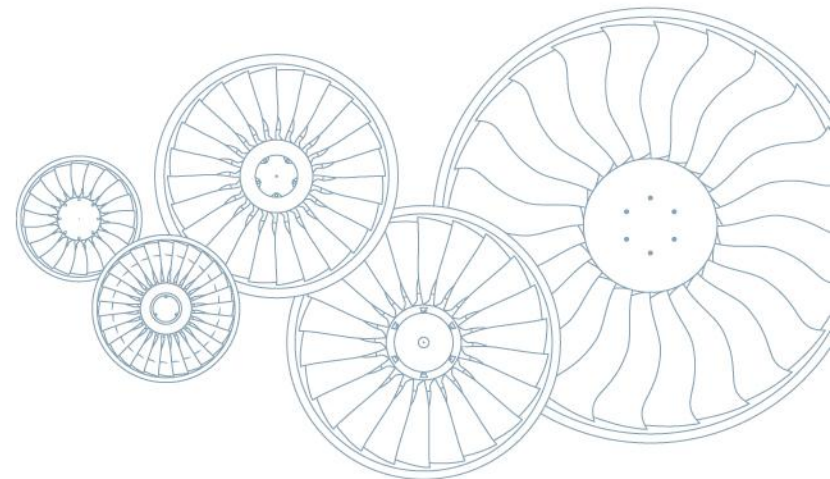




Q2 2013 Results - MTU Aero Engines

Conference Call with Investors and Analysts,
24 July 2013



Agenda

- **Guidance**
- Business Highlights
- Financial Highlights
- Segment Reporting
- Group Key Figures
- Appendix

Current Business Environment

- FY13 numbers strongly driven by a 25% increase of OE sales from V2500, GP7000 and GEnX
- MTU directly digests losses on OE sales through P&L → no capitalization
- Each engine sold today will generate profitable aftermarket business for 20+ years

- Spare parts sales below expectations
 - V2500 shows strong growth as expected
 - PW2000 spares as well as aftermarket for industrial gas turbines weak

- Additional Cash Flow headwinds from
 - Falling military prepayments
 - Inventory ramp-up
 - Capex needs for industrialization & future ramp-up of GTF

- Strong OE business and strong market success of the GTF sets base for an increased market share and strong aftermarket growth in the future

New Guidance 2013:

(m€)	FY 2012	Guidance 2013 old	Guidance 2013 new
Revenues	3,378.6	+10% - 12%	~3,700 (+10%)
EBIT adj.	374.3	+10% - 12%	~375
EBIT adj. Margin	11.1%		~ 10%
Net Income adj. *	233.4	+10% - 12%	~235

- Series growth now seen at upper end of guidance range at 25%
- Spare parts growth now seen at +5% for FY13
- Military business is stable
- MRO up high single digit
- Weak IGT business also affects MRO margin, now seen at lower end of 8-9% corridor

Management addresses the challenges...

- “Cash for Future” project launched to improve EBIT / Free Cash Flow situation
 - Target area: Total cost base
 - Project leader & team defined
 - Project leader reports directly to board
 - Cost savings potential & measures will be announced at Capital Markets Day in Nov13

- WOC@ MTU successfully on track
 - Target areas: Inventories, Receivables & Liabilities
 - Project leader & team defined
 - Project leader reports directly to board
 - WOC reduction potential & measures will be announced at Capital Markets Day in Nov13

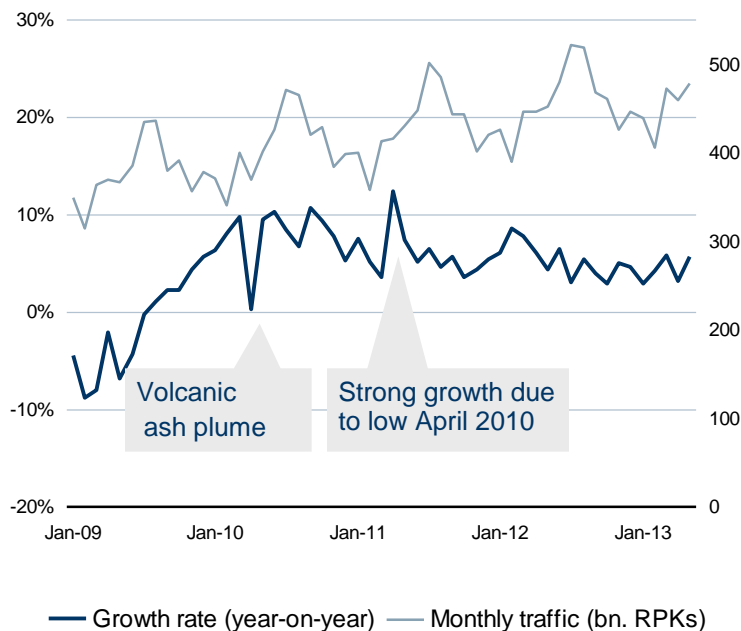
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Business Highlights

- Orders of 1,3 bn\$ at Paris Air Show - ongoing market success for GTF platforms
- Continued strong revenue growth of 19% in H1 2013

Global Passenger Traffic



Market Environment

- Global passenger traffic up 5.6% y-o-y in May (4.3% ytd)
- Growth was led by Middle-East (10.5% y-o-y)
- North America: 2.9%, Europe: 5.3%
- IATA forecasts a growth of 5.3% for 2013
- IATA expect airline profits to reach US\$12.7bn in 2013 following US\$7.6 bn in 2012
- Airbus and Boeing announce 1,240 commercial deliveries for 2013 or +5%

Commercial OEM Business

- Orders worth US\$1.3 bn @Paris Air Show – 1.000 GTF, V2500 and GENx
- GTF success story continues
 - Over 4,500 GTF engines on order incl. options*
 - PW1100G for A320neo has successfully completed first Flight Test on May 15th
- Expansion of manufacturing capacity on excellent track
 - New Center of Excellence for blisk production up and running
 - Polish facility will be expanded by 50% (40 M€ invest)
- Discussions with GE regarding GE9x participation ongoing
- **New engine sales Q2/13 strongly up mid-20% y-o-y**
- **Spare parts sales Q2/13 up around 10% y-o-y**

*) number includes announced and unannounced orders



Commercial MRO Business

- Contract wins of US\$ 760 m in H1/13
- New logistics center opened at Hanover facility
- Aviation Week's MRO Global Award for successful ramp up of GE90 Growth shop visits
- **MRO US\$-revenues flat in Q2/13 y-o-y**



Military Business

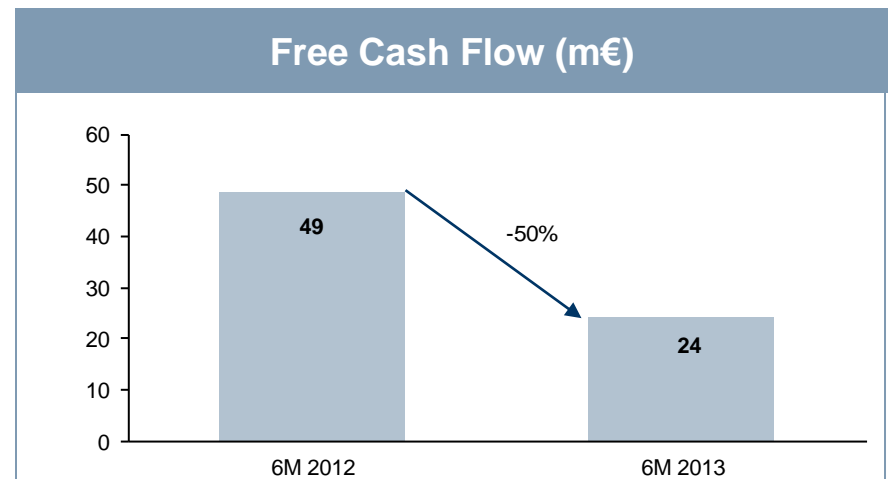
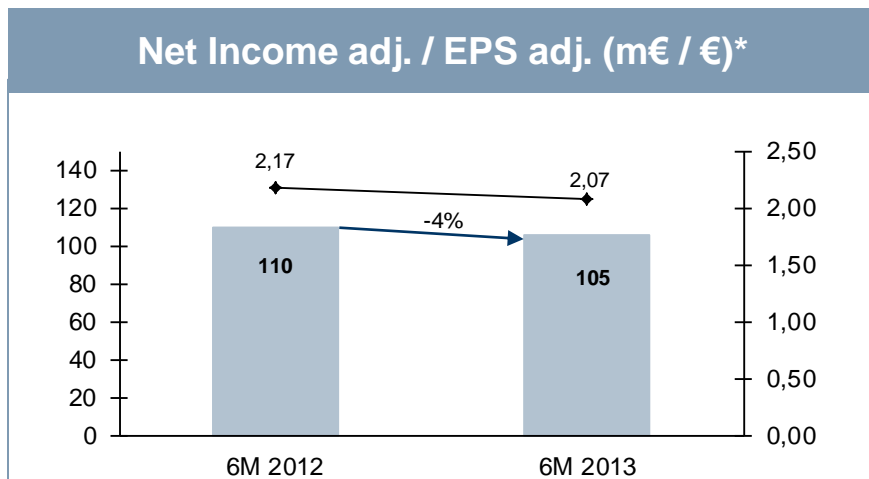
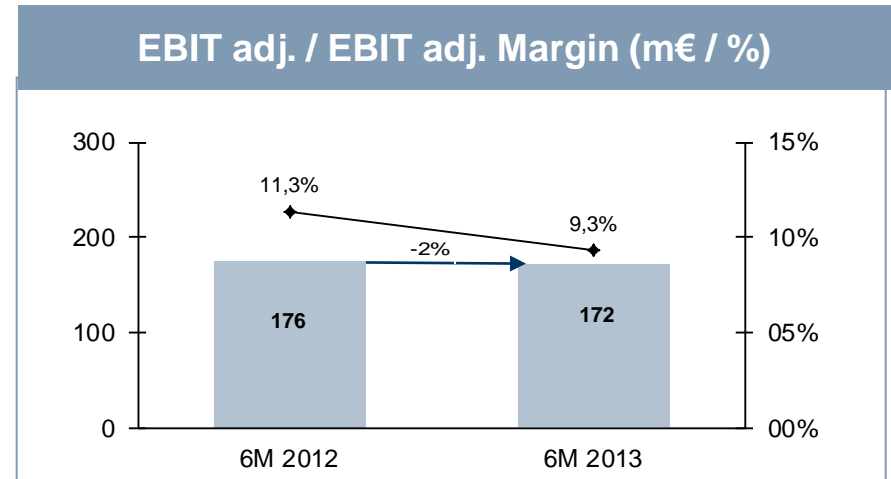
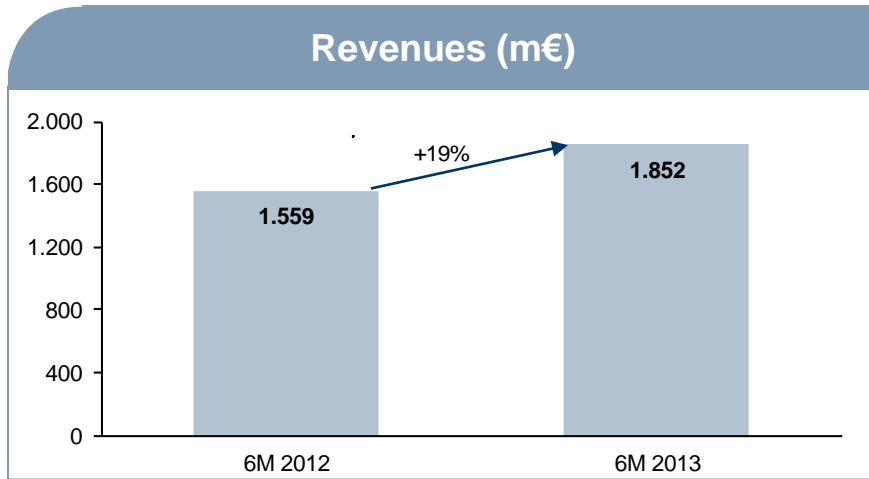
- Ramp up of TP400-D6 series production
- First A400M expected to be delivered in summer 2013
- Various export campaigns on EJ200
- **Military revenues stable y-o-y**



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Financial Highlights



* w/o market-to-market valuations of US\$, Nickel and Options and others

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OEM Segment

Order book	31/12/2012	30/06/2013	Change
Order book (m€)	5,640.4	5,501.2	-2%
Commercial Business (mUS\$)	6,218.3	5,814.2	-6%
Military Business (m€)	927.4	1,056.1	14%
(m€)	6M 2012	6M 2013	Change
Revenues	933.6	1,176.8	26%
Commercial Business	703.0	953.6	36%
Military Business	230.6	223.2	-3%

- Order book does not yet include order intake from Paris Air Show
- Commercial series sales up in H1 around 50%
- Commercial spare parts up in H1 around 10%
- Military revenues almost stable



OEM Segment

(m€)	6M 2012	6M 2013	Change
Revenues	933.6	1,176.8	26%
Gross Profit	191.8	174.4	-9%
<i>Gross Profit Margin %</i>	<i>20.5%</i>	<i>14.8%</i>	
R&D according to IFRS (P&L)	51.7	44.7	-14%
EBIT adj.	122.5	116.4	-5%
<i>EBIT adj. Margin %</i>	<i>13.1%</i>	<i>9.9%</i>	

- Gross profit impacted by business mix
- R&D down by €7 m due to maturity of GTF development
- EBIT adj. margin of roughly 10%

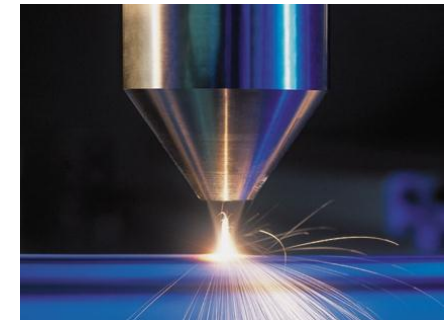


Commercial MRO Business

(mUS\$)	31/12/2012	30/06/2013	Change
Contract volume (incl. order book)	7,704.2	7,932.1	3%

(m€)	6M 2012	6M 2013	
Revenues	641.2	691.1	8%
Gross Profit	83.9	90.2	8%
<i>Gross Profit Margin %</i>	13.1%	13.1%	
EBIT adj.	53.8	55.5	3%
<i>EBIT adj. Margin %</i>	8.4%	8.0%	

- Contract volume up by 3%
- US\$ revenues up 9% in line with FY Guidance
- EBIT adj. margin in the corridor of 8-9%



Agenda

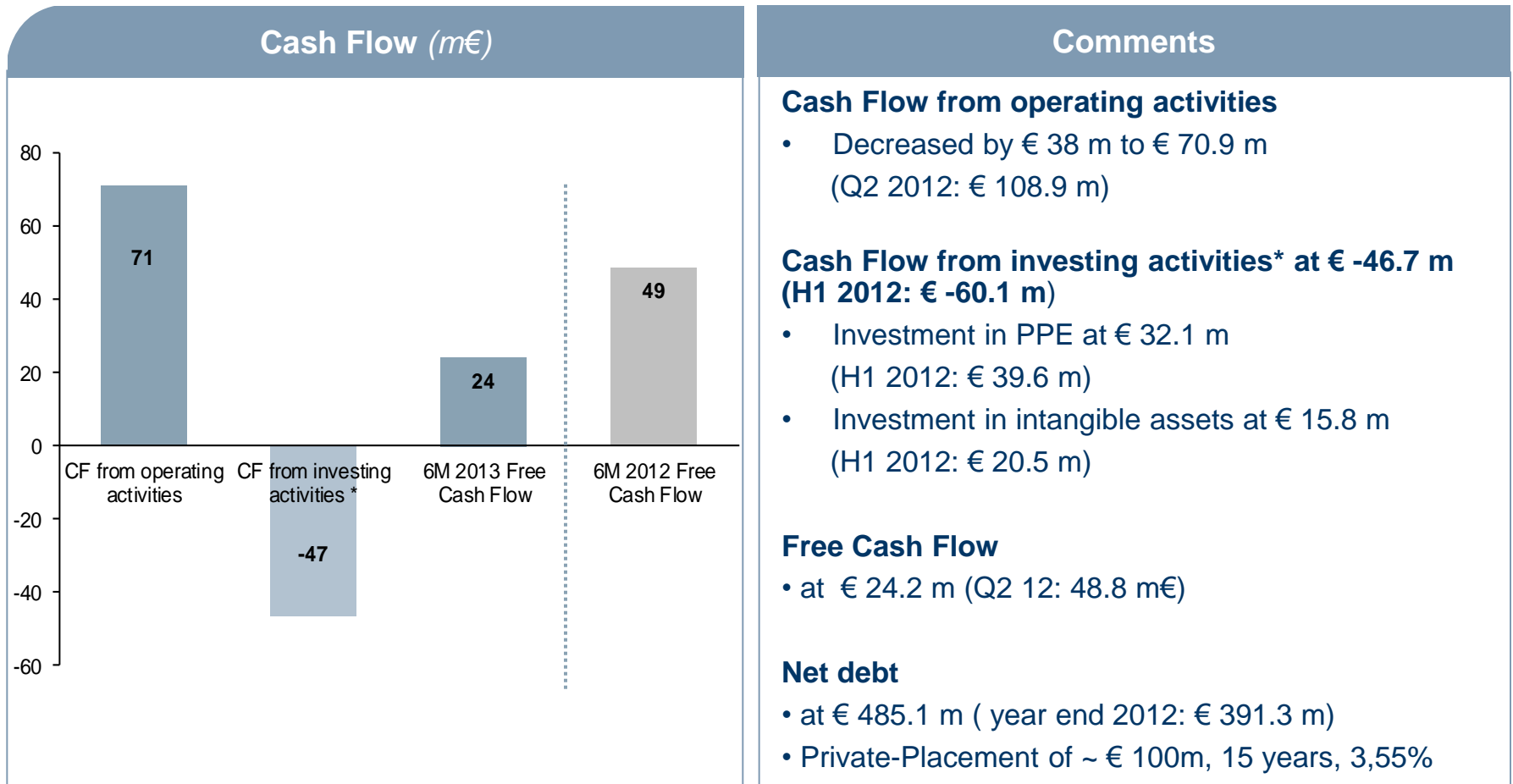
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P&L Highlights

(m€)	6M 2012	6M 2013	Change
Revenues	1,559.0	1,852.2	19%
EBIT adj.	175.8	171.7	-2%
<i>Interest Result</i>	-0.6	-5.8	
<i>Interests for pension provisions</i>	-12.4	-10.0	
Financial Result *	-13.0	-15.8	-22%
EBT adj. *	162.8	155.9	-4%
Tax (tax rate 32,6%)	-53.1	-50.8	
Net Income adj. *	109.7	105.1	-4%
EPS adj. *	2.17	2.07	-5%

* w/o market-to-market valuations of US\$, Nickel and Options and others

Free Cash Flow

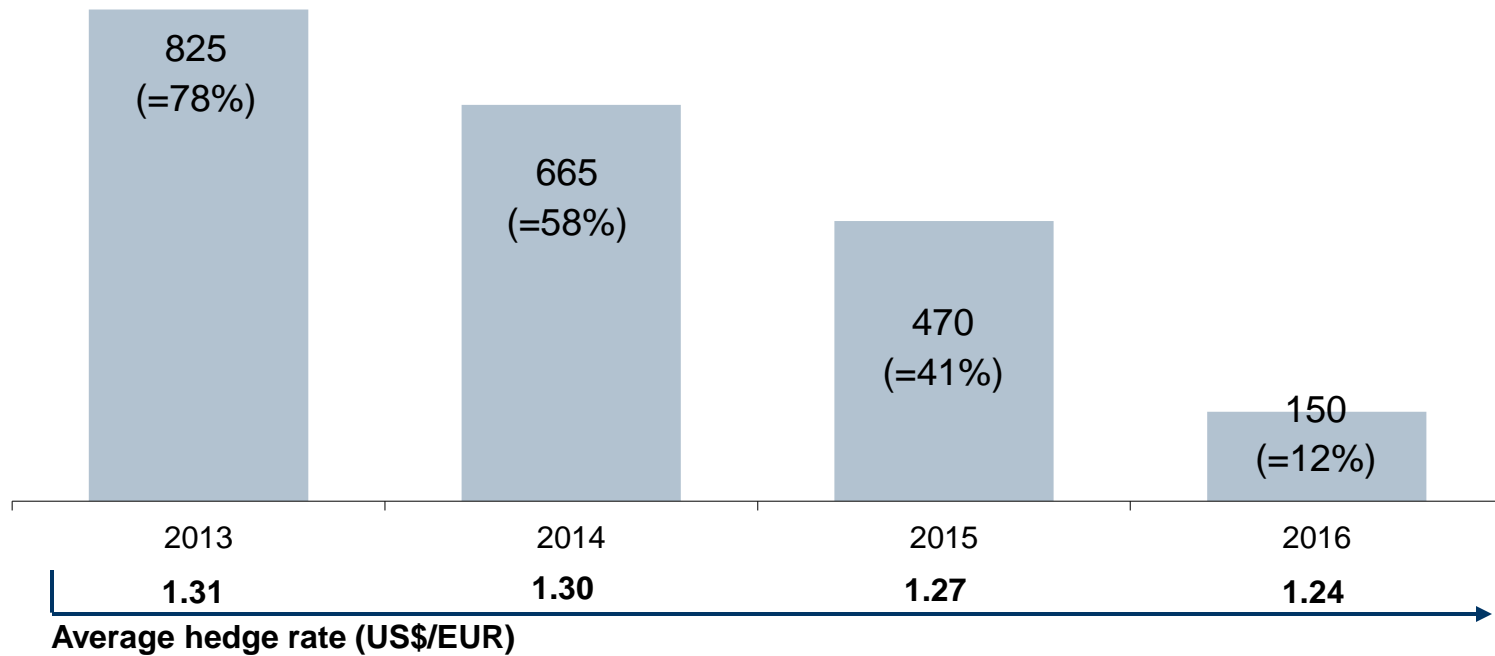


* w/o invest in shortterm fin.papers and recognition intangible assets

US\$ Exchange Rate / Hedge Portfolio

Hedge book as of July 24, 2013 (*% of net exposure*)

(mUS\$)



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Profit & Loss

(m€)	Q2 2012	Q2 2013	Change	6M 2012	6M 2013	Change
Revenues	861.0	907.5	5%	1,559.0	1,852.2	19%
Total Cost of Sales	-724.1	-782.0		-1,278.4	-1,584.8	
Gross Profit	136.9	125.5	-8%	280.6	267.4	-5%
<i>Gross Profit Margin</i>	<i>15.9%</i>	<i>13.8%</i>		<i>18.0%</i>	<i>14.4%</i>	
R&D company funded	-24.8	-17.8		-53.5	-46.5	
SG&A	-39.5	-41.5		-74.2	-81.3	
Other operating income (expense)	2.4	1.7		3.8	3.1	
Operating income from investments	9.7	0.2		9.7	0.2	
EBIT reported	84.7	68.1	-20%	166.4	142.9	-14%
<i>Adjustment (PPA Depreciation & Amortization)</i>	<i>9.4</i>	<i>8.9</i>		<i>19.1</i>	<i>17.9</i>	
<i>Adjustment (IAE Upshare)</i>	<i>-9.7</i>	<i>5.4</i>		<i>-9.7</i>	<i>10.9</i>	
EBIT adj.	84.4	82.4	-2%	175.8	171.7	-2%
Financial Result	-5.8	-8.0		-10.7	-26.6	
Profit before tax (EBT)	78.9	60.1	-24%	155.7	116.3	-25%
Taxes	-18.5	-23.7		-41.3	-43.6	
Net Income reported	60.4	36.4	-40%	114.4	72.7	-36%
Net Income adj.	52.8	50.6		109.7	105.1	
EPS	1.19	0.72		2.26	1.43	
EPS adj.	1.04	1.00		2.17	2.07	

Segment Revenues and EBIT adj.

in m€	Q2 2012	Q2 2013	Change	6M 2012	6M 2013	Change
Revenues Group	861.0	907.5	5%	1,559.0	1,852.2	19%
OEM Commercial	406.2	465.2	15%	703.0	953.6	36%
OEM Military	115.3	111.0	-4%	230.6	223.2	-3%
MRO	348.0	339.1	-3%	641.2	691.1	8%
Consolidation	-8.5	-7.8		-15.8	-15.7	
EBIT adj. Group	84.4	82.4	-2%	175.8	171.7	-2%
OEM (Commercial / Military)	53.7	57.3	+7%	122.5	116.4	-5%
MRO	29.5	26.3	-11%	53.8	55.5	3%
Consolidation	1.2	-1.2		-0.5	-0.2	
EBIT margin adj. Group	9.8%	9.1%		11.3%	9.3%	
OEM (Commercial / Military)	10.3%	9.9%		13.1%	9.9%	
MRO	8.5%	7.8%		8.4%	8.0%	

Research & Development

(m€)	Q2 2012	Q2 2013	Change	6M 2012	6M 2013	Change
Company expensed R&D	36.1	28.7	-21%	75.9	68.8	-9%
OEM	35.0	27.4		73.7	66.6	
MRO	1.2	1.3		2.2	2.2	
Capitalization of R&D	-11.3	-10.9		-22.4	-22.3	
OEM	-11.0	-10.7		-22.0	-21.9	
MRO	-0.4	-0.2		-0.4	-0.4	
R&D according to IFRS	24.8	17.8	-28%	53.5	46.5	-13%
Customer funded R&D	14.3	13.1		42.1	26.9	
Total R&D	50.4	41.8	-17%	118.0	95.7	-19%

Cash Flow

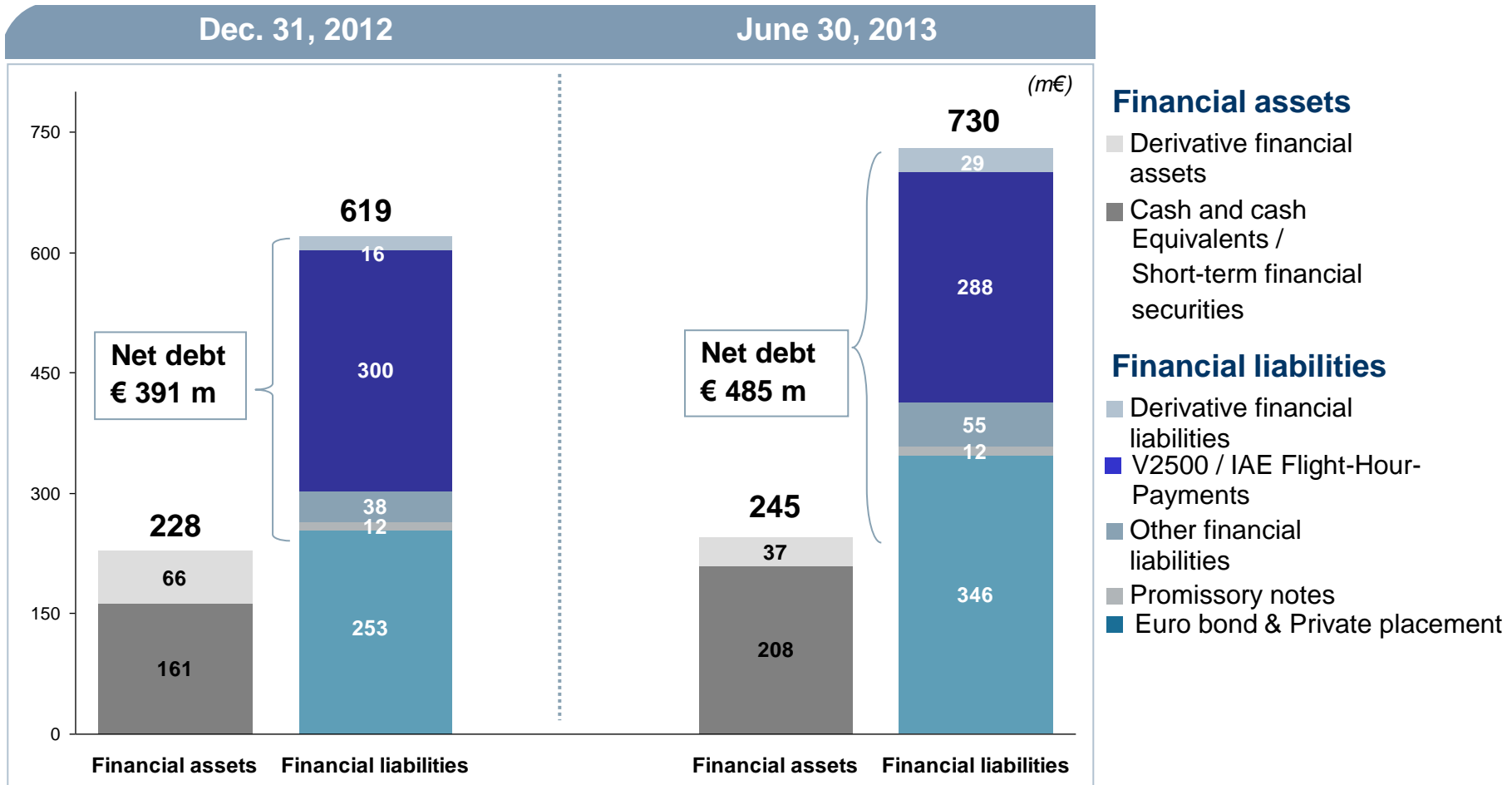
(m€)	6M 2012	6M 2013	Change
Net Income IFRS	114.4	72.7	-36%
Depreciation and amortization	67.0	80.2	
Change in provisions *	-34.3	-79.1	
Change in Working Capital	-18.0	-8.0	
Taxes	-1.8	0.3	
Interest, derivatives, others	-18.4	4.8	
Cash Flow from operating activities	108.9	70.9	-35%
Cash Flow from investing activities adjusted	-60.1	-46.7	-22%
Free Cash Flow	48.8	24.2	-50%
<i>Adjustments</i>	-203.5	-13.6	
Cash Flow from financing activities	117.7	36.6	-69%
Effect of exchange rate on cash and cash equivalents	2.3	-0.4	
Change in cash and cash equivalents	-34.7	46.8	

* includes pension provisions and other provisions

Working Capital

(m€)	31/12/2012	30/06/2013	Change	Change in %
Gross inventories	808.8	859.8	51.0	
Prepayments	-604.0	-574.4	29.6	
Receivables	789.9	755.6	-34.3	
Payables	-797.7	-865.7	-68.0	
Working Capital	197.0	175.3	-21.7	-11%

Net debt of € 485.1 m



PPA Depreciation / Amortization (in m€)

Total depreciation / amortization	Q2 2012	Q2 2013	6M 2012	6M 2013
MTU total	33.5	39.8	67.0	80.2
OEM	25.7	31.6	51.8	63.3
MRO	7.8	8.2	15.2	16.9
PPA depreciation / amortization	Q2 2012	Q2 2013	6M 2012	6M 2013
MTU total	9.4	8.9	19.1	17.9
OEM	8.5	8.1	17.3	16.2
MRO	0.9	0.8	1.8	1.7
Depreciation / amortization w/o PPA	Q2 2012	Q2 2013	6M 2012	6M 2013
MTU total	24.1	30.9	47.9	62.3
OEM	17.2	23.5	34.5	47.1
MRO	6.9	7.4	13.4	15.2

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