

Invitation to the  
Annual General Meeting of  
MTU Aero Engines Holding AG



Convenience translation. The German version of this document is authoritative.

# Invitation to the Annual General Meeting of MTU Aero Engines Holding AG

Munich · Securities code no. WKN A0D 9PT · ISIN DE000A0D9PT0

We hereby invite the shareholders of our company  
to the Annual General Meeting, which will be held on

**Thursday, 5 May 2011, at 10:00 a.m.**

in

**The Westin Grand München Arbellapark**

**Entrance Ballsaal Foyer**

**Arabellastr. 6, 81925 Munich.**

The doors open at 9:00 a.m.

# I. Agenda

## **1. Presentation of the adopted annual financial statements and the management report for MTU Aero Engines Holding AG, the approved consolidated financial statements and group management report for the financial year 2010, the Supervisory Board Report and the Explanatory Report of the Management Board regarding the statements pursuant to Sec. 289(4) and (5) and Sec. 315(4) of the German Commercial Code**

These documents will be available on the Internet at the address [www.mtu.de/hv](http://www.mtu.de/hv) from the time the Annual General Meeting is convened onwards.

In accordance with the law, there will be no vote on this item of the agenda since the Supervisory Board has already approved the annual financial statements and the consolidated financial statements.

## **2. Resolution on the appropriation of net profit**

The Management Board and the Supervisory Board propose to appropriate MTU Aero Engines Holding AG's net profit for the financial year 2010, which amounts to EUR 53,627,647.70, as follows:

### **Appropriation of net profit**

Payment of a dividend of EUR 1.10 on each share entitled to a dividend	EUR	53,627,647.70
Transfer to revenue reserves	EUR	0
Net profit for the year	EUR	53,627,647.70
Profit carried forward	EUR	0

The dividend will be distributed on 6 May 2011.

Own shares held by the Company are not entitled to a dividend. The number of shares entitled to a dividend may change by the time the Annual General Meeting is held. In this event, a suitably modified proposal for the appropriation of the profit will be submitted to the Annual General Meeting, which still provides for a dividend of EUR 1.10 per share.

## **3. Resolution to approve the actions of the members of the Management Board in the financial year 2010**

The Management Board and the Supervisory Board propose that approval for the actions of the members of the Management Board for the financial year 2010 be given.

## **4. Resolution to approve the actions of the members of the Supervisory Board in the financial year 2010**

The Management Board and the Supervisory Board propose that approval for the actions of the members of the Supervisory Board for the financial year 2010 be given.

## **5. Appointment of the auditor for the financial year 2011**

The Supervisory Board proposes that Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, be appointed as auditors for the financial year 2011 and for the review of the abbreviated financial statements and interim management report contained in the half-year financial report 2011; this proposal is supported by the recommendation of the Audit Committee.

## **6. Resolution on a new Authorized Capital II; amendment of Sec. 4(6) of the Articles of Association**

The authorization of the Management of the Company resolved by the Annual General Meeting of 30 May 2005 (taking into account the second resolution passed on 31 May 2005) to increase the share capital, once or several times, by up to an aggregate amount of EUR 19,250,000 by issuing new no par value bearer shares against contributions in cash and/or kind (Authorized Capital II 2005) expired on 29 May 2010. It is to be replaced by a new authorization of the Management Board of the Company to increase the share capital (Authorized Capital II 2011).

Therefore, the Management Board and the Supervisory Board propose passing the following resolution:

By revoking the existing provision in Sec. 4(6) of the Articles of Association, with effect from the date of entry in the commercial register of the amendment of the Articles of Association resolved in the following, an authorized capital (Authorized Capital II 2011) will be created by revision of Sec. 4(6) of the Articles of Association as follows:

*“(6) The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company’s share capital, once or several times, by 21 April 2015 by up to an aggregate amount of EUR 15,600,000 (in words: fifteen million six hundred thousand) by issuing new registered no par value shares against contributions in cash (Authorized Capital II 2011).*

*The shareholders must be granted a subscription right. However, the Management Board is authorized, with the consent of the Supervisory Board, to exclude fractions from the subscription right of shareholders.*

*In addition, the Management Board is authorized, with the consent of the Supervisory Board, to determine all other rights to the shares and the terms of issue.*

*The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the scope of the capital increase from Authorized Capital II 2011 after the complete or partial implementation of the increase of the share capital from Authorized Capital II 2011 or after the expiry of the period of authorization.”*

## **7. Resolution on a new Authorized Capital III; amendment of Sec. 4(7)-(9) of the Articles of Association**

A new Authorized Capital III is to be created in Sec. 4(7) of the Articles of Association and the numbering of Sec. 4 is to be amended accordingly. This is in addition to the existing Authorized Capital I and the Authorized Capital II, which requires a resolution pursuant to item 6 of the agenda.

The Management Board and the Supervisory Board propose passing the following resolution:

### a) Authorization

Authorized capital (Authorized Capital III 2011) will be created by implementing a new Sec. 4(7) in the Articles of Association as follows whereby the amendment will take effect on the date it is registered in the commercial register:

*“(7) The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company’s share capital, once or several times, by 21 April 2015, by up to an aggregate amount of EUR 5,200,000 (in words: five million two hundred thousand) by issuing new registered no par value shares against contributions in cash or in kind (Authorized Capital III 2011).*

*If shares are issued against contributions in kind for the purpose of the direct or indirect acquisition of companies, parts of companies or equity interests, the Management Board is authorized to exclude the subscription right of the shareholders with the Supervisory Board’s consent.*

*Otherwise, the shareholders must be granted a subscription right. However, the Management Board is authorized, with the consent of the Supervisory Board, to exclude fractions from the subscription right of shareholders.*

*In addition, the Management Board is authorized, with the consent of the Supervisory Board, to determine all other rights to the shares and the terms of issue.*

*The Supervisory Board is authorized to amend the Articles of Association in accordance with the scope of the capital increase from Authorized Capital III 2011 after the complete or partial implementation of the increase of the share capital from Authorized Capital III 2011 or after the expiry of the period of authorization.”*

### b) Additional amendments to the Articles of Association

The numbering of Sec. 4 of the Articles of Association will be amended such that the existing subsection 7 will become subsection 8 and the existing subsection 8 will become subsection 9.

## II. Reports

### **Report of the Management Board pursuant to items no. 6 and 7 of the agenda (resolution on the creation of Authorized Capital; amendments to Sec. 4 of the Articles of Association) pursuant to Sec. 203(2) sentence 2 in conjunction with Sec. 186(4) sentence 2 of the Stock Corporation Act**

The Management Board and the Supervisory Board propose that the Annual General Meeting approve Authorized Capital II and III to enable the Company to react at short notice to market conditions without having to convene a new General Meeting. The Annual General Meeting of 30 May 2005 (taking into account the second resolution passed on 31 May 2005) authorized the Company to create Authorized Capital II. This authorization expired on 29 May 2010. The Annual General Meeting of 22 April 2010 authorized the Company to create Authorized Capital I by issuing registered no par value bearer shares against contributions in cash of up to EUR 5,200,000. This authorization will remain in force until 21 April 2015. The authorization has not yet been used. This authorization will be supplemented by Authorized Capital II and III, and the Articles of Association will be amended accordingly. Authorized Capital II and III will also be limited until 21 April 2015. Specifically:

All in all, the Company intends to create authorized capital up to the maximum legal amount of together EUR 26,000,000 through Authorized Capital I that has already been resolved and through Authorized Capital II and III. This corresponds to 50% of the Company's current share capital. The authorizations for Authorized Capital II and III are to be granted for four years, i.e., until 21 April 2015. The law permits authorization for up to five years. In deviation from the system used for the existing authorizations, it is proposed that the Annual General Meeting pass a resolution with regard to the creation of two additional authorized capitals (Authorized Capital II 2011 and Authorized Capital III 2011). The Management Board will be authorized to increase capital against contributions in cash in the case of Authorized Capital II 2011 and against contributions in cash or in kind in the case of Authorized Capital III 2011.

In principle, the new shares originating from the use of the authorized capital must be offered to the shareholders for subscription. The subscription right may also be granted to the shareholders in such way that new shares are assumed by a bank or a company operating in accordance with Sec. 53(1) sentence 1 or Sec. 53b (1) sentence 1 or (7) of the Banking Act (KWG) with the obligation to offer the shares to the shareholders for subscription (Secs. 203(1) and 186(5) of the Stock Corporation Act ).

It is generally considered permissible to divide the authorization for the increase of capital into different amounts of authorized capital, as intended in this case. Due to the way shareholders voted at last year's Annual General Meeting, the Company plans to make use of this option. Against this background the Company has decided to limit Authorized Capital III, which provides for exclusion of subscription rights in the case of a corporate acquisition, to a maximum amount of EUR 5,200,000.

The Management Board is authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders, in whole or in part, in certain cases. Specifically:

a) Authorized Capital II 2011

The Management Board and the Supervisory Board propose that the Annual General Meeting approve Authorized Capital II 2011 in the nominal aggregate amount of up to EUR 15,600,000, which can be used, once or several times, against contributions in cash.

The Management Board will only be authorized to exclude fractions from the subscription right. This will serve to create a practical subscription ratio. Without the exclusion of the subscription right for fractions, the technical implementation of the increase of capital and the exercise of subscription rights would be complicated, especially if the capital were increased in rounded amounts. If the fractions are restricted, the potential dilution effect is very small. The new shares, which as peak amounts are excluded from the subscription right, will either be sold on the stock exchange or otherwise exploited in a manner which is beneficial for the Company.

b) Authorized Capital III 2011

The Management Board and the Supervisory Board propose that the Annual General Meeting approve Authorized Capital III 2011 in the nominal aggregate amount of up to EUR 5,200,000, which can be used, once or several times, against contributions in cash and/or in kind.

The Management Board will also be authorized to exclude fractions from the subscription right. The reasons for this are the same as for Authorized Capital II 2011 (see item a) above).

In the case of a capital increase against contributions in kind for the purpose of the direct or indirect acquisition of companies, parts of companies or equity interests, the Management Board is furthermore authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders.

The authorization of the capital increase against contributions in kind with the exclusion of subscription rights will mean that the Management Board has shares available to it, which it can use in appropriate cases to acquire companies, parts of companies or equity interests, and will mean that it does not have to resort to the stock exchange. Should the opportunity arise, the Company intends, in keeping with its corporate purpose as defined by its Articles of Association, to acquire companies, parts of companies or equity interests in order to further strengthen its competitive position and thus enable long-term and continuous revenue growth. As a capital increase must take place at short notice in the case of an acquisition, it normally cannot be resolved on directly by the Annual General Meeting, which is only held once a year. Convening an extraordinary general meeting is usually unreasonable and thus unsuitable because it requires a great deal of time and effort particularly regarding the substantial lead time. For this reason, Authorized Capital III, which the Management Board can access quickly with the consent of the Supervisory Board, needs to be created.

The Company is in competition with other companies. Therefore, it must always be in a position to act quickly and flexibly in changing markets in the interests of its shareholders. This includes the ability to make direct or indirect acquisitions of companies, parts of companies or equity interests

to strengthen the Company's competitive position. Experience shows that increasingly the direct or indirect acquisition of companies, parts of companies or equity interests is affecting larger units. Often the seller insists on receiving shares in the acquiring company as consideration for the sale because this may be more favorable for it. Therefore, the opportunity to offer Company shares as acquisition currency creates an advantage when competing for attractive acquisition targets. The proposed authorization will give the Company the necessary flexibility to quickly exploit opportunities to acquire other companies, equity interests or parts of companies and enable it to offer Company shares as consideration if required. The exclusion of subscription rights will in fact lead to a reduction of relative share ratios and relative voting rights ratios of existing shareholders. However, if subscription rights were granted, the Company would not be able to offer its own shares as consideration when acquiring companies, equity interests or parts of companies, and the advantages for the Company and its shareholders would not be realized.

Currently, no plans to use this option for a specific acquisition exist. The Management Board will carefully examine whether or not to use the authorization to increase capital with the exclusion of subscription rights in each case where an opportunity to acquire companies, equity interests or parts of companies against the issue of new shares arises. The Management Board will only make use of its authorization if such acquisition against the issue of shares is in the best interests of the Company. Only if this prerequisite is fulfilled the Supervisory Board will give the consent needed.

Naturally, the issue amount cannot be determined at present because there are no concrete plans to make use of the authorization. The law provides that the Management Board, with the consent of the Supervisory Board, may determine the relevant issue amount. According to customary practice, the issue amount can also be determined to be the amount of the imputed proportion ratio of the shares in the share capital. This is to mitigate the risk that, where it is not possible to make an objective valuation, payment obligations or liabilities will be calculated on the basis of the issue amount which the Company and the subscriber used to value the subscriber's consideration in kind. In a concrete case, the Management Board will, of course, carefully examine whether the number of shares issued to acquire a company, an equity interest or a part of a company correspond to the agreed value of such asset.

Having considered all the described facts and circumstances, the Management Board and the Supervisory Board deem the exclusion of the subscription rights in the described cases both adequate and necessary for the above-described reasons even taking into account the dilution effect arising to the detriment of the shareholders.

The Management Board will report on the use of the Authorized Capitals at the next Annual General Meeting.

### III. Additional Information

#### 1. Total Number of Shares and Voting Rights

At the time of convening the 2011 Annual General Meeting, the Company's share capital is divided into 52,000,000 registered no par value shares with the same number of voting rights. Of these shares, only 48,752,407 shares are currently entitled to voting rights since the Company is not entitled to exercise the voting rights attached to the 3,247,593 own shares held by it.

#### 2. Prerequisites for Attendance at the Annual General Meeting and for Exercising Voting Rights

Only shareholders who are entered in the Company's share register and who have registered their shares such that their registration has been received by the Company at the latest by the end of Thursday, 28 April 2011, are entitled to attend the Annual General Meeting and to vote.

Shareholders who are entered in the share register may register either in writing with MTU Aero Engines Holding AG at the following address:

MTU Aero Engines Holding AG  
c/o Computershare HV Services AG  
Prannerstraße 8  
80333 Munich

or by sending a fax to the following number:

+49 (0)89 30903 74675

or electronically at the Internet address:

[www.mtu.de/hv](http://www.mtu.de/hv)

In order to register electronically, you will require the individual access code which you will receive with your shareholder documents. If you wish to attend the Annual General Meeting, please register your attendance as early as possible to facilitate the organization of the meeting. Further information on the registration procedure can be found on the registration form and on the above-mentioned Internet site.

Where a bank is registered as the owner of a share in the share register, but does not own the share, it may only exercise the voting right for such share if it has been authorized to do so.

### **3. Procedure for Voting by Proxy; Voting Right Proxies of the Company**

#### **a) Authorization of a third party**

Shareholders who are registered in the share register, but do not attend the Annual General Meeting in person may appoint a proxy, such as a bank or a shareholders' association, to vote on their behalf. Also in this case the shareholder or the proxy have to ensure that they are registered in time. Grants and revocations of proxies, as well as proof of proxy authorization, must be effected in text form unless a bank, a shareholders' association or any other person described in Sec. 135 of the Stock Corporation Act requires some other form for its authorization. If you wish to authorize a bank, a shareholders' association or any other person described in Sec. 135 of the Stock Corporation Act, it would be advisable to agree on the format of the authorization.

#### **b) Authorization of a voting right proxy of the Company**

Furthermore, we also offer you the option of having a company employee vote in accordance with your instructions as your proxy. You must issue your proxy with a power of attorney and give him or her instructions on how to exercise your voting right. Voting right proxies are obliged to vote as instructed. The issue of powers of attorney and voting instructions to the voting right proxies named by the Company, their revocation and proof of authorization may be effected in text form prior to the Annual General Meeting up until the end of Wednesday, 4 May 2011. Shareholders may also use the Company's power of attorney and instruction system, which is available online at [www.mtu.de/hv](http://www.mtu.de/hv). We wish to point out that the authorization of voting right proxies of the Company is only possible for shareholders who have registered attendance at the Annual General Meeting by no later than the end of Thursday, 28 April 2011.

Please note that the voting right proxies will not accept requests to speak or to ask questions or bring forward motions, and they will not support procedural motions or unannounced motions by shareholders.

We will provide our shareholders with further details, as well as forms for granting proxies and issuing instructions, together with the invitation to the Annual General Meeting.

### **4. Exercise of Voting Rights by Postal Vote**

Shareholders who are registered in the share register but who do not attend the Annual General Meeting personally may cast a postal vote. Banks authorized to act as proxies, shareholders' associations and other persons with equivalent status to these under Sec. 135 of the Stock Corporation Act may also cast postal votes.

Only shareholders who have registered in due time in accordance with no. 2 may cast a postal vote (see "Prerequisites for Attendance at the Annual General Meeting and for Exercising Voting Rights").

Postal votes may be cast by sending a letter or fax, or electronically via the internet using one of the addresses for registration listed in no. 2 above.

Shareholders who have registered in due time for the Annual General Meeting may alter or revoke their vote up to the expiry of 4 May 2011. They may do this in writing using the postal address or fax number in no. 2 or, if they voted electronically, via the internet. ([www.mtu.de/hv](http://www.mtu.de/hv)).

Votes cast in this way will become invalid if the shareholder attends the Annual General Meeting personally or is represented there by a proxy.

Please note it will not be possible to cast a postal vote on a countermotion which is first tabled at the Annual General Meeting or make nominations. Similarly, it will not be possible to make requests to speak, ask questions or submit motions using a postal vote.

We will send our shareholders further information and forms for postal voting together with the invitation to the Annual General Meeting.

## **5. Queries, Motions, Nominations and Requests for Information by Shareholders**

### **a) Additions to the agenda requested by a minority pursuant to Sec. 122(2) of the Stock Corporation Act**

Shareholders whose shares together total 5% of the share capital or the amount of EUR 500,000 may call for items to be added to the agenda and publicized. Each new item must be accompanied by a reason or a draft resolution. The request must be received by the Company in writing at the postal address stated in no. 5 b) by the end of Monday, 4 April 2011.

Shareholders requesting additions to the agenda must show proof pursuant to Sec. 122(2) and (1) in conjunction with Sec. 142(2) sentence 2 of the Stock Corporation Act that they have held the necessary number of shares since at least 5 February 2011, 0:00 hours.

### **b) Shareholders' Motions and Nominations pursuant to Secs. 126(1) and 127 of the Stock Corporation Act**

The Management Board will only make shareholder motions and nominations, if any, accessible pursuant to Sec. 126 et seqq. of the Stock Corporation Act if the Company receives same by no later than Wednesday, 20 April 2011 and if the persons proposing the motions are registered in the share register as shareholders of the Company. Motions and queries by shareholders within the meaning of Sec. 126(1) of the Stock Corporation Act, and nominations within the meaning of Sec. 127 of the Stock Corporation Act, are to be sent exclusively to the following Company addresses:

By letter: MTU Aero Engines Holding AG  
Department Investor Relations  
Dachauer Straße 665  
80995 Munich  
Germany

or by fax: +49 (0)89 1489 95139

or by e-mail to: [hv2011@mtu.de](mailto:hv2011@mtu.de)

Motions and nominations addressed otherwise will not be taken into account. The Company will publish motions and nominations by shareholders which are received in due time at the above address together with the name of the relevant shareholder, the reasons given and any opinion of the management expressed thereon, at the following Internet address:

[www.mtu.de/hv](http://www.mtu.de/hv)

- c) Shareholder's Right to Information pursuant to Sec. 131(1) of the Stock Corporation Act  
The Management Board is obliged to provide information about Company matters, including legal and business relationships with affiliated companies as well as the situation of the Group and companies included in its consolidated financial statements, to any shareholder at his request during the Annual General Meeting insofar as this is necessary for the proper appraisal of an agenda item.

#### **6. Publication on the Company's Website**

This invitation to the Annual General Meeting, the documents to be made available pursuant to Sec. 124a of the Stock Corporation Act, shareholder motions and detailed explanations of the above-mentioned rights of shareholders are available at the Company's website at [www.mtu.de/hv](http://www.mtu.de/hv).

The voting results will be publicized on the same website after the Annual General Meeting.

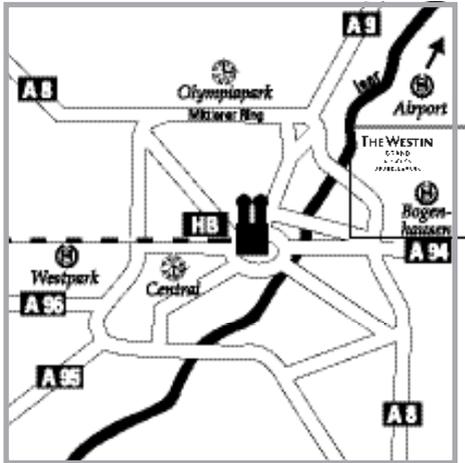
Munich, March 2011

MTU Aero Engines Holding AG

The Management Board

**This version of the notice of the shareholder's meeting, which was prepared for the convenience of English-speaking readers, is a translation of the German original. For the purposes of interpretation, the German text will be authoritative and final**

## How to find us



**TAXI** - from the airport  
one way approximately about 45.00 - 50.00 Euro

### PUBLIC TRANSPORTATION

Underground: line 4 to "ArabellaPark"  
Bus: different lines to "ArabellaPark",  
"Effnerplatz", "Denninger Straße"  
Tram: line 18 and 20 to "Effnerplatz"

### BY CAR

**Coming from the motorway Stuttgart A8** – go straight until "Verdistraße" pass the "Botanischer Garten" and follow the direction motorway Nürnberg. When you reach the "Mittlerer Ring" go ahead until "Petuelring" and "Isarring" until you get to the district Bogenhausen. At the "Effnerplatz" turn left to the "Effnerstraße" and immediately turn right into the "Englschalkinger Straße". The first road on the right hand side is called "Arabellastraße".

**Coming from the motorway Lindau A96** – you reach automatically the "Mittlerer Ring". You follow the direction to motorway Nürnberg passing by the "Olympiapark". Following "Petuelring" and "Isarring" until you reach the district Bogenhausen. At the "Effnerplatz" turn left into the "Effnerstraße" and immediately turn right into the "Englschalkinger Straße". The first road on the right hand side is called "Arabellastraße".

**Coming from the motorway Nürnberg A9** – follow the exit "Föhringer Ring/Frankfurter Ring". Being on the "Föhringer Ring" go ahead until you get to the district Bogenhausen. At the junction on the "Effnerplatz" turn left twice. From the "Effnerstraße" immediately turn right into the "Englschalkinger Straße". The first road on the right hand side is called "Arabellastraße".

**Coming from the motorway Salzburg A8** – go straight until you reach the "Mittlerer Ring Ost" follow the "Innsbrucker Ring", "Leuchtenbergring", "Richard-Strauss-Straße", until you get to the district Bogenhausen. At the "HypoVereinsbank" building turn right into the "Denninger Straße". At the third traffic light turn left into the "Arabellastraße".

**Coming from the motorway Garmisch A95** – go straight until you reach the "Mittlerer Ring Süd" and follow the direction motorway Passau. Following the "Innsbrucker Ring", "Leuchtenbergring", "Richard-Strauss-Straße", until you get to the district Bogenhausen. At the "HypoVereinsbank" building turn right into the "Denninger Straße". At the third traffic light turn left into the "Arabellastraße".

### PARKING

Should you have parked in the parking lot of the hotel or in the Bavaria Parkgaragen (underneath the "Rosenkavalierplatz") and want to leave the parking lot, parking tickets are available at the Information Counter. Parking costs will not be charged.





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