

**3rd Quarter Results 2005
MTU Aero Engines Holding AG**

Presentation Telecon November 8th, 2005

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

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General market situation

- **Worldwide passenger traffic** grown by 8,3% in first 9 months -**Cargo traffic** grown by 3,0 % in first 9 months (IATA)
- **Longterm perspectives** for the industry remain excellent: Commercial engine market will grow 5,4% p.a. over the next 20 years
- Due to MTU's young installed fleet the **park rate** fell overproportionally: by 11 % compared to 6% for the whole industry in average (yoy comparisons)
- **Jet fuel prices** challenge the industry: new alltime high of average \$1.90/gallon (48% increase yoy). Trend accelerated due to hurricanes Katrina and Rita affecting the capacity of gulf coast refineries.
- Chapter 11 filing by **Northwest and Delta** for restructuring purposes. Limited impact on MTU: potential fleet reduction does not affect MTU engines.

Highlights of Q3 2005 and per Sept. 2005

MDAX	Inclusion in MDAX-Index on Sept 19th, 2005
Order backlog	Strong increase in commercial business due to new orders GP7000, V2500, PW2000. New contracts in commercial MRO (not included in order backlog): Jetblue (\$900m), Shanghai Airlines (€300m), others (€320m)
Revenues	Increase of 9.5% in commercial business due to new engine sales, especially in V2500 and PW4000G programs, 2% increase in spare parts (excluding PW2000), slightly reduced volume in military business due to changes to this year's delivery and invoicing schedule for EJ200 engines, strong increase of 28% in commercial MRO
EBITDA	Strong increase due to increased volume, reduced spending in R&D and efficiencies out of cost reduction program
Financial results	Very strong CF of operating activities (€300m) due to operating results and high prepayments (EJ200 2nd tranche and Austria, commercial MRO). This allowed total repayment of Bank facilities and repayment of €80m nominal of High Yield Bond. Second repayment of High Yield Bond scheduled for Nov 23rd 2005 (€30m)
Dividend capacity	Net income IFRS not relevant for dividend. German GAAP and tax considerations relevant: high tax payments due to high taxable income (including Forex), but enough headroom for a dividend of €40m

\$ Exchange rate

USD daily average exchange rate from 01/02/2003 to 10/31/2005



Average exchange rate

Y 2004	Y 2003
1,2438	1,1304
Q1 2005	Q1 2004
1,3113	1,2497
Q2 2005	Q2 2004
1,2599	1,2043
Q3 2005	Q3 2004
1,2195	1,2217
Q1-Q3 2005	Q1-Q3 2004
1,2626	1,2254

Hedging in place as of 31 October 2005	2005	USD 90m	Exchange rate 1,3111
	2006	USD 380m	Exchange rate 1,2706
	2007	USD 180m	Exchange rate 1,2596

1. Order backlog

Order backlog

Order backlog (in € million)	Sept. 30, 2005	Dec. 31, 2004	change	change
Commercial business	1.801,2	1.526,7	274,5	18,0%
Military business	1.638,3	1.717,3	-79,0	-4,6%
MRO	180,6	172,6	8,0	4,6%
Consolidation	-0,7	-8,3	7,6	
Total	3.619,4	3.408,3	211,1	6,2%

2. Revenues

Revenues

(in € million)	Q3 2005	Q3 2004	change	per Sept. 2005	per Sept. 2004	change
Commercial business	222,1	209,5	6,0 %	702,1	641,1	9,5%
Military business	107,8	124,1	-13,1%	310,6	337,3	-7,9%
MRO	193,8	157,9	22,7%	545,0	426,1	27,9%
Consolidation	-3,8	-8,0		-12,1	-20,2	
Total	519,9	483,5	7,5%	1.545,6	1.384,3	11,6%

3. Profit & Loss

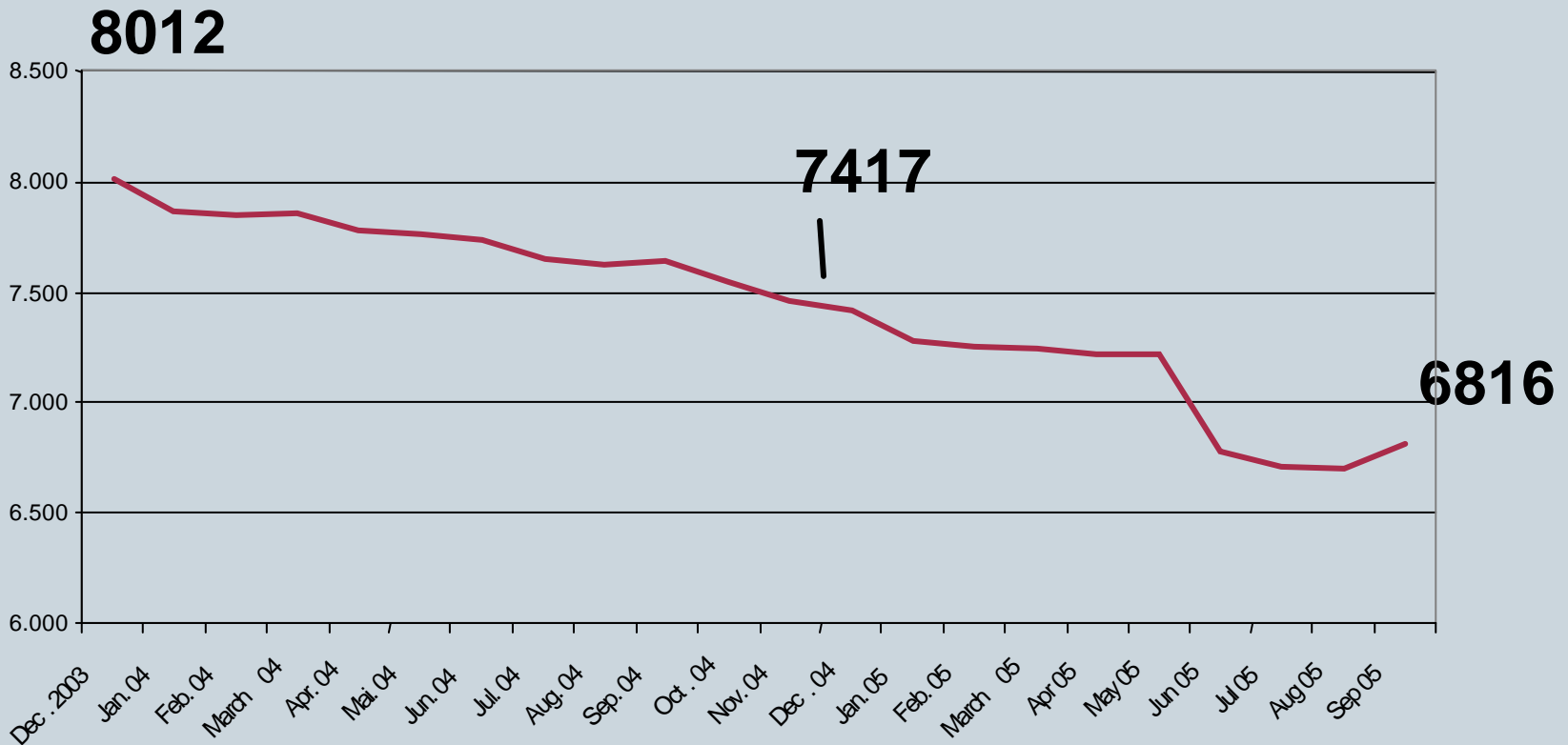
Profit & Loss (in € million)	Q3 2005	Q3 2004	change	per Sept 2005	per Sept 2004	change
Revenues	519,9	483,5	7,5%	1.545,6	1.384,3	11,6%
Total cost of sales	-452,0	-401,0		1.360,3	1.165,8	
Gross profit	67,9	82,5	-17,7 %	185,3	218,5	-15,2 %
Gross profit margin	13,1%	17,1%		12,0 %	15,8 %	
R & D company funded	-6,3	-6,1		-20,8	-38,0	
SG&A	-27,4	-26,3		-85,0	-129,4	
Other operating income (expense)	3,9	0,7		9,5	2,6	
EBIT reported	38,1	50,8	-25,0 %	89,0	53,7	65,7 %
EBITDA reported	71,7	82,6	-13,2%	189,4	148,3	27,7 %
EBITDA adjusted	64,3	59,0	9,0 %	166,6	123,5	34,9 %
Financial result	-17,6	-16,0		-57,2	-73,9	
Share of income/loss of Joint Ventures accounted for using the equity method	1,4	-0,6		1,9	-1,4	
Income from operating activities	21,9	34,2	-36,0 %	33,7	-21,6	256,0 %
Taxes	-9,2	-14,1		-14,3	7,2	
IFRS net income	12,7	20,1	-36,8 %	19,4	-14,4	234,7 %

Segmental information: Gross Profit / Margin

in (€ million)	Q3 2005	Q3 2004	change	per Sept 2005	per Sept 2004	change
Gross Profit	67,9	82,5	-17,7%	185,3	218,5	-15,2%
OEM (commercial / military)	47,0	68,8	-31,7%	131,9	192,3	-31,4%
MRO	21,0	13,7	53,3%	52,6	26,4	99,2%
Consolidation	-0,1	0,0		0,8	-0,2	
Gross Profit margin	13,1%	17,1%		12,0%	15,8%	
OEM (commercial / military) margin	14,2%	20,6%		13,0%	19,7%	
MRO margin	10,8%	8,7%		9,7%	6,2%	

Headcount

= total workforce incl. temps (w/o Joint Venture companies)



Research & Development

(in € million)	Q3 2005	Q3 2004	change	per Sept. 2005	per Sept. 2004	change
Company expensed R&D	14,6	30,6	-52,3%	45,6	111,6	-59,1%
Release of R&D provision	-8,3	-24,5		-24,8	-73,6	
R&D according to IFRS	6,3	6,1	3,3 %	20,8	38,0	-45,3 %
Customer funded R&D	22,8	18,6		64,6	49,3	
Total R&D	37,4	49,2	-24,0 %	110,2	160,9	-31,5 %

3. EBITDA - Adjustments

EBITDA Adjustments

(in € million)	Q3 2005	Q3 2004	change	per Sept 2005	per Sept 2004	change
EBIT reported	38,1	50,8	-25,0%	89,0	53,7	65,7 %
Depreciation and amortization	33,6	31,8		100,4	94,6	
EBITDA reported	71,7	82,6	-13,2%	189,4	148,3	27,7%
Restructuring costs	0,9	0,8		2,0	2,8	
R&D provision release	-8,3	-24,5		-24,8	-73,6	
Inventory write up (PA)					27,0	
Direct Transaction costs		0,1			19,0	
Total adjustments	-7,4	-23,6		-22,8	-24,8	
EBITDA adjusted	64,3	59,0	9,0%	166,6	123,5	34,9 %

Segment Reporting – OEM Business – EBITDA Adjustments

	Q3 2005	Q3 2004	change	per Sept 2005	per Sept 2004	change
EBITDA reported OEM	48,5	69,5	-30,2%	138,4	124,8	10,9%
Inventory write up					19,9	
R&D cost, not expensed under IFRS	-8,3	-24,5		-24,8	-73,6	
Restructuring	0,9	0,7		2,0	2,6	
Direct Transaction Cost		0,1			19,0	
EBITDA adjusted OEM	41,1	45,8	-10,3%	115,6	92,7	24,7%

Segment Reporting – MRO – EBITDA Adjustments

	Q3 2005	Q3 2004	change	per Sept 2005	per Sept 2004	change
EBITDA reported MRO	18,9	13,1	44,3%	48,5	24,0	102,1%
Inventory write up					7,1	
Restructuring		0,1			0,2	
EBITDA adjusted MRO	18,9	13,2	43,2%	48,5	31,3	54,9%

5. Cash Flow

Cash Flow - summary

	Q3 2005	Q3 2004	change	per Sept 2005	per Sept 2004	change
Net income IFRS	12,7	20,1	-36,8%	19,4	-14,4	234,7%
Depreciation and amortisation	33,6	31,8		100,4	94,6	
Change in Provisions	2,4	-10,9		2,2	-39,4	
Change in Working Capital	11,7	2,3		169,2	88,7	
Deferred taxes	7,6	0,5		9,7	-34,0	
Gains/losses associated comp. /others	-0,8	0,5		-0,9	-0,3	
Cash Flow from operating activities	67,2	44,3	51,7 %	300,0	95,2	215,1 %
Cash Flow from investing activities	-14,4	-13,3		-42,7	-34,0	
Free Cash Flow	52,8	31,0	70,3%	257,3	61,2	320,4%
Cash Flow from financing activities	-82,9	2,5		-209,2	28,0	
Effect of exchange rate on cash and cash equivalents	-0,5	-0,3		6,5	-0,2	
Change in cash and cash equivalents	-30,6	33,2		54,6	89,0	

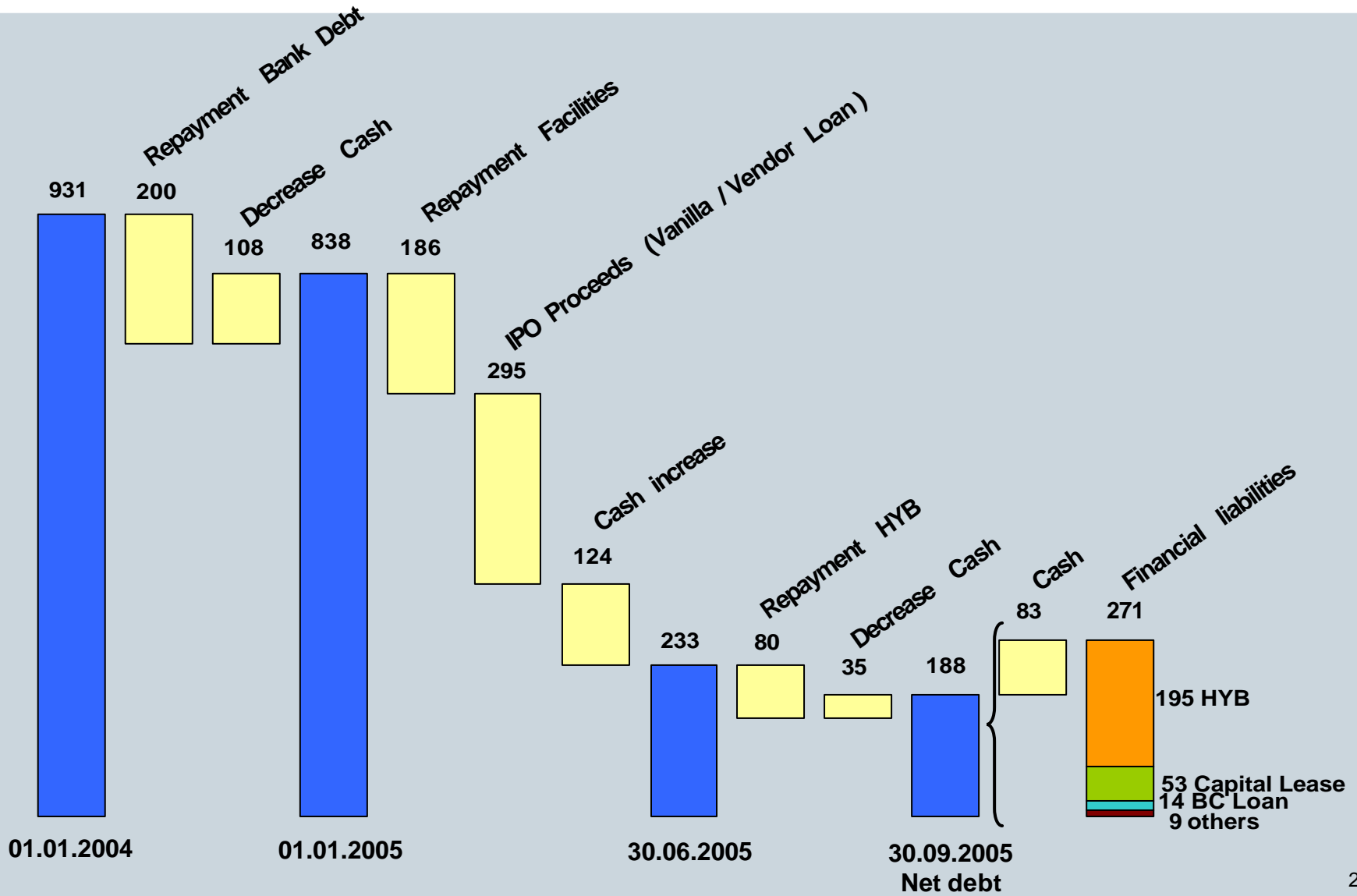
Working Capital

in € million	per Sept.30, 2005	31.12.2004	Change	Change in %
Gross inventories	495,7	448,1	-47,6	
Prepayments	-434,7	-310,8	123,9	
Receivables	523,6	536,5	12,9	
Payables	-465,2	-385,2	80,0	
Working Capital	119,4	288,6	169,2	58,6%

Prepayments: EJ200 Tranche 2 (€50m) and Austrian order (€35m), MRO prepayments

Net Financial Debt

in € million



6. Potential dividend capacity

From Net Income IFRS to a potential dividend capacity

in (€ million)	per Sept 2005
Net Income (IFRS)	19,4
Taxes IFRS	14,3
EBT (IFRS Income from operating activities)	33,7
add-back income from non PLTA companies	2,0
German GAAP and other valuations	82,6
Forex income	90,2
Amortisation goodwill	-7,4
other	-0,2
EBT MTU Aero Engines Holding AG (German GAAP)	118,3
German Income Taxes *)	-62,7
Net Income (German GAAP)	55,6

*) Goodwill amortisation, D&A from PPA and release of R & D provision not relevant for tax income calculation

Appendix – Segmental information

Segmental information: Sales / Cost of sales

in (€ million)	Q3 2005	Q3 2004	change	per Sept 2005	per Sept 2004	change
Sales	519,9	483,5	7,5%	1.545,6	1.384,3	11,6%
OEM Commercial	222,1	209,5	6,0%	702,1	641,1	9,5%
OEM Military	107,8	124,1	-13,1%	310,6	337,3	-7,9%
MRO	193,8	157,9	22,7%	545,0	426,1	27,9%
Consolidation	-3,8	-8,0		-12,1	-20,2	
Cost of Sales	-452,0	-401,0	-12,7%	-1.360,3	-1.165,8	-16,7%
OEM (commercial / military)	-282,9	-264,8	-6,7%	-880,8	-786,1	-12,0%
MRO	-172,8	-144,2	-19,8%	-492,4	-399,7	-23,2%
Consolidation	3,7	8,0		12,9	20,0	

Segmental information: Gross Profit / EBIT reported

	Q3 2005	Q3 2004	change	per Sept 2005	per Sept 2004	change
Gross Profit	67,9	82,5	-17,7%	185,3	218,5	-15,2%
OEM (commercial / military)	47,0	68,8	-31,7%	131,9	192,3	-31,4%
MRO	21,0	13,7	53,3%	52,6	26,4	99,2%
Consolidation	-0,1	0		0,8	-0,2	
EBIT reported	38,1	50,8	-25,0%	89,0	53,7	65,7%
OEM (commercial / military)	23,1	45,3	-49,0%	62,3	53,4	16,7%
MRO	10,7	5,5	94,5%	24,2	0,8	2925,0%
Consolidation	4,3	0		2,5	-0,5	

Segmental information: EBITDA reported / adjusted

	Q3 2005	Q3 2004	change	per Sept 2005	per Sept 2004	change
EBITDA reported	71,7	82,6	-13,2%	189,4	148,3	27,7%
OEM (commercial / military)	48,5	69,5	-30,2%	138,4	124,8	10,9%
MRO	18,9	13,1	44,3%	48,5	24,0	102,1%
Consolidation	4,3	0,0		2,5	-0,5	
EBITDA adjusted	64,3	59,0	9,0%	166,6	123,5	34,9 %
OEM (commercial / military)	41,1	45,8	-10,3%	115,6	92,7	24,7%
MRO	18,9	13,2	43,2%	48,5	31,3	54,9%
Consolidation	4,3	0,0		2,5	-0,5	

Segmental information:

Total depreciation / amortisation

	Q3 2005	Q3 2004		per Sept 2005	per Sept 2004	
MTU total	33,6	31,8		100,4	94,6	
OEM	25,4	24,2		76,1	71,4	
MRO	8,2	7,6		24,3	23,2	

PPA depreciation / amortisation

	Q3 2005	Q3 2004		per Sept 2005	per Sept 2004	
MTU total	15,4	15,8		48,3	47,5	
OEM	12,3	12,5		39,1	37,6	
MRO	3,1	3,3		9,2	9,9	

depreciation / amortisation w/o PPA

	Q3 2005	Q3 2004		per Sept 2005	per Sept 2004	
MTU total	18,2	16,0		52,1	47,1	
OEM	13,1	11,7		37,0	33,8	
MRO	5,1	4,3		15,1	13,3	

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

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