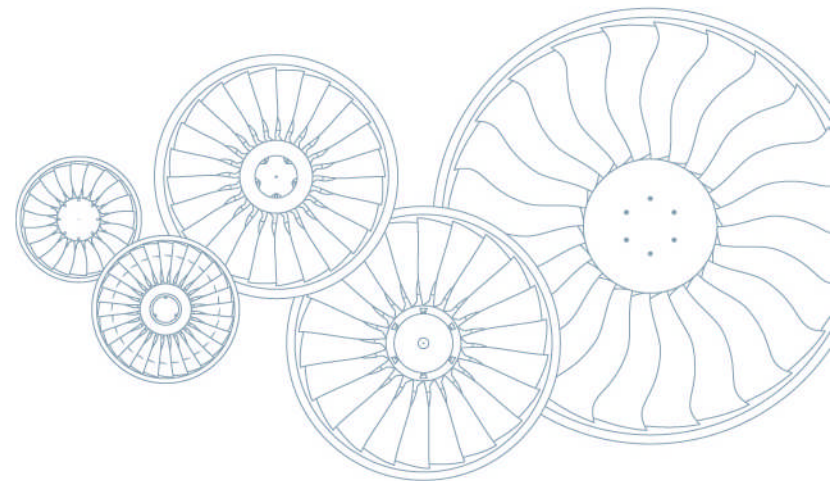




1st Half Year Results 2008 – MTU Aero Engines

Conference Call with Investors and Analysts
July 22nd, 2008



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Key Business Topics Since Q1 Results Release

Market environment

- Market fundamentals remain robust despite the economic downturn
 - May 08 IATA global passenger traffic growth at 6% y/y
 - Cargo traffic drops to 1.3% growth y/y in May 08

Commercial Business

- MTU secures 15% share in PW „PurePower“ Family (PW800 and PW1000G)
- Bombardier launches CSeries Aircraft with PW1000G engine
- MTU takes 13% share in GE LM6000 aero-derivative gas turbine

Military Business

- MTU participates in GE38 military helicopter program with 18% share

Commercial MRO

- Output and revenue recovered, but still at higher cost

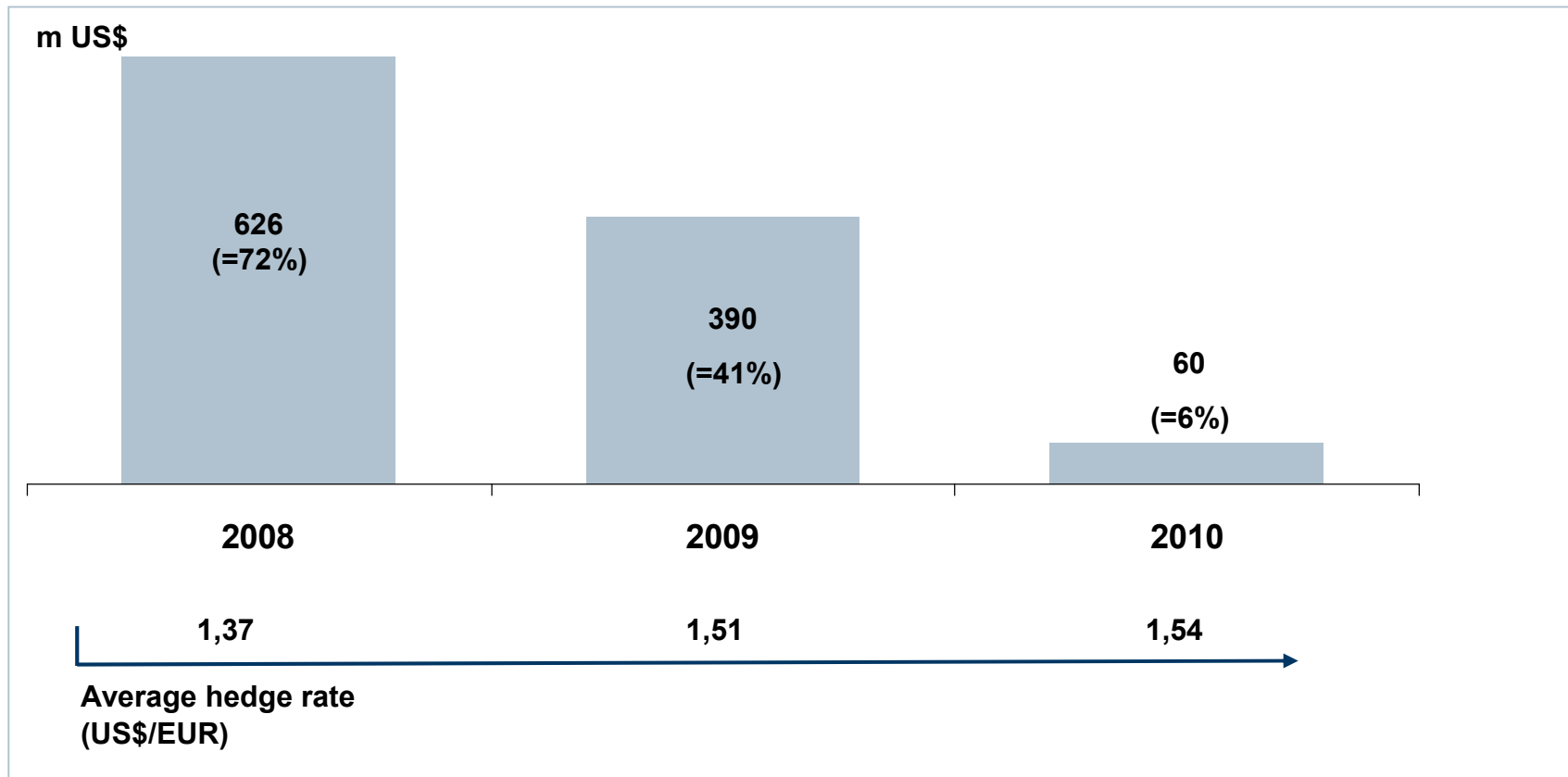
H1 2008 Financial Highlights

- | | |
|-----------------------------------|---|
| Order Backlog | <ul style="list-style-type: none">• Group Order Backlog decreased by 4.1% to 3.2 bn€• Adjusted for US\$ effects Group Order Backlog remained stable |
| Revenues | <ul style="list-style-type: none">• Group Revenues almost stable at 1,256 m€• US\$ underlying growth 12% |
| EBITDA | <ul style="list-style-type: none">• Group EBITDA*) increased by 7.5% to 194.5m€ reaching 15.5% margin |
| Cash Flow | <ul style="list-style-type: none">• Free Cash Flow at 77.2 m€ |
| Net Income/
EPS | <ul style="list-style-type: none">• Net Income increased by 78.7% to 80.4 m€ (EPS 1.61 €) |
| Share buy
back program | <ul style="list-style-type: none">• 775.410 shares have been bought back since AGM on April 30• Currently 2.8 mn treasury shares held by company (~5.5%)• Outstanding shares at 49.2 mn |

*) EBITDA adjusted = reported in H108

US\$ Exchange rate / Hedge Portfolio

Hedge book as of July 22 2008 (% of net exposure)



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OEM Segment

	30.06.2008	31.12.2007	Change
Order backlog in m€	3,088.4	3,216.8	-4.0%
Commercial Business in m\$	2,446.3	2,388.5	2.4%
Military Business in m€	1,536.6	1,594.3	-3.6%

in m€	H1 2008	H1 2007	Change
Revenues	758.1	768.2	-1.3%
Commercial Business	530.9	544.9	-2.6%
Military Business	227.2	223.3	1.7%
Gross profit	181.1	141.0	28.4%
<i>Gross profit margin</i>	<i>23.9%</i>	<i>18.4%</i>	
R&D self-financed	33.0	31.9	3.4%
EBITDA*)	166.8	125.8	32.6%
<i>EBITDA margin</i>	<i>22.0%</i>	<i>16.4%</i>	

*) EBITDA adjusted = reported in H1 08 (no capitalisation)

Revenues

- Underlying growth in Commercial OEM Business 12 % - adjusted for US\$ exchange rate effects

Gross Profit/EBITDA

- Strong margin improvement driven mainly by cost savings and business mix

MRO Segment

in m US\$	30.06.2008	01.01.2008	Change
Contract Volume MRO (in mUS\$)	7,158.0	7,426.6	-3.6%
Order backlog (in mUS\$)	135.7	139.4	-2.7%

in m€	H1 2008	H1 2007	Change
Revenues	513.0	505.3	1.5%

Gross profit	38.1	57.4	-33.6%
<i>Gross profit margin</i>	<i>7.4%</i>	<i>11.4%</i>	
R&D self-financed	2.9	3.6	-19.4%

EBITDA	29.5	55.0	-46.4%
<i>EBITDA margin</i>	<i>5.8%</i>	<i>10.9%</i>	

Revenues

- Underlying revenue growth 17%
- adjusted for US\$ effects

Gross Profit/EBITDA

- Profit decline driven by US\$ and ERP-related issues

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Financial Result

in m€	H1 2008	H1 2007	Change
Profit/loss from at equity accounted companies	0.1	-0.6	
Interest Result	-5.1	-25.1	-79.7%
Interest income	4.3	3.4	
Interest payments	-9.4	-28.5 *)	
Other Financial Result	-6.9	-13.7	-49.6%
Gains/losses out of US\$ cash/financing/ capital lease valuations	-1.7	-2.0	
Non cash valuations (swaps)	5.8	-2.5	
Interests for pension provisions	-10.4	-9.7	
Others	-0.6	0.5	
Total Financial Result	-11.9	-39.4	-69.8%

*) H1 2007: Interest payments include 19.1 m€ High Yield Bond early redemption fee

Net Income and EPS

in m€	H1 2008	H1 2007	Change
EBITDA reported	194.5	181.0	7.5%
Depreciation	-62.1	-67.3	
EBIT reported	132.4	113.7	16.4%
Financial Result	-11.9	-39.4 *)	
EBT	120.5	74.3	62.2%
Income taxes	-40.1	-29.3	
Net Income reported	80.4	45.0	78.7%
EPS in €	1,61	0,85	89.4%
Avg. weighted number of outstanding shares	49.8 mn	53.2 mn	

*) includes HYB redemption fee of 19.1 m€

Cash Flow

in m€	H1 2008	H1 2007	Change
Cash Flow from operating activities	133.2	120.5	10.5%
Cash Flow from investing activities	-56.0	-38.9	44.0%
Free Cash Flow	77.2	81.6	-5.4%
Cash Flow from financing activities	-72.0	-102.5	-29.8%
Effect of exchange rate on cash and cash equivalents	0.7	-0.5	
Change in cash and cash equivalents	5.9	-21.4	
Liquidity 30.06.	-18.4	57.8	

2008 Forecast Confirmed

in m€	FY2007	Guidance 2008	change
Revenues	2,575.9	~ 2,600	stable
EBITDA adj.	392.9	~ 390	stable
EBITDA adj. margin	15.3%	~ 15%	stable
Free Cash Flow	131.7	~100	- 24%
Net Income reported	154.1	~ 180	+17%

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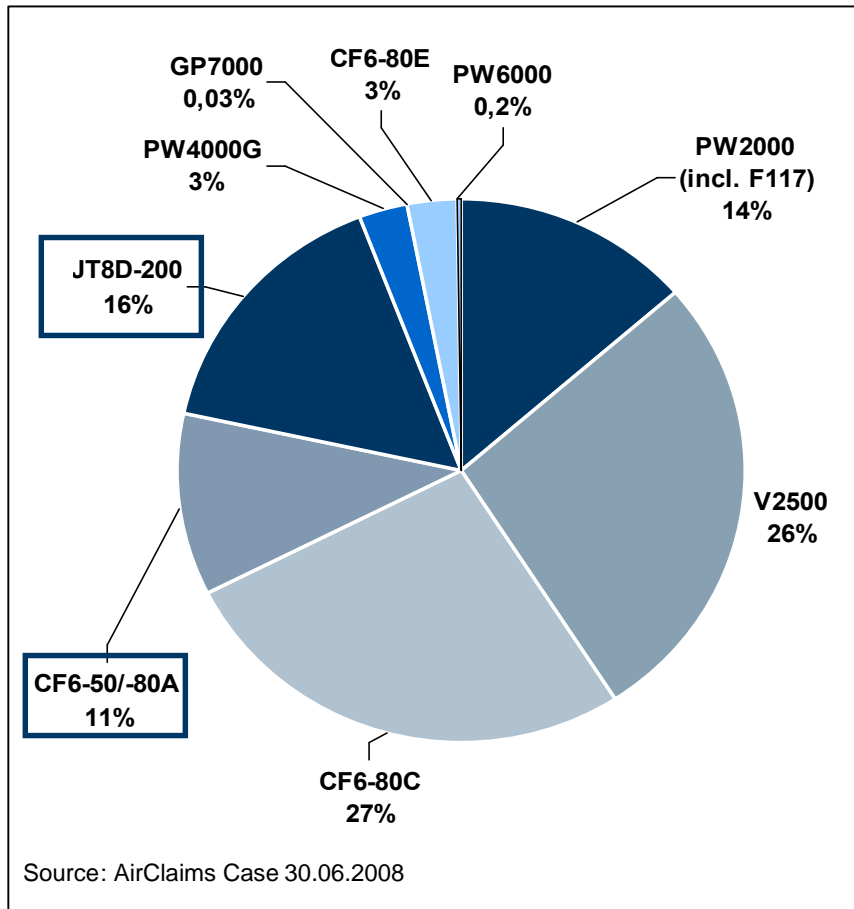
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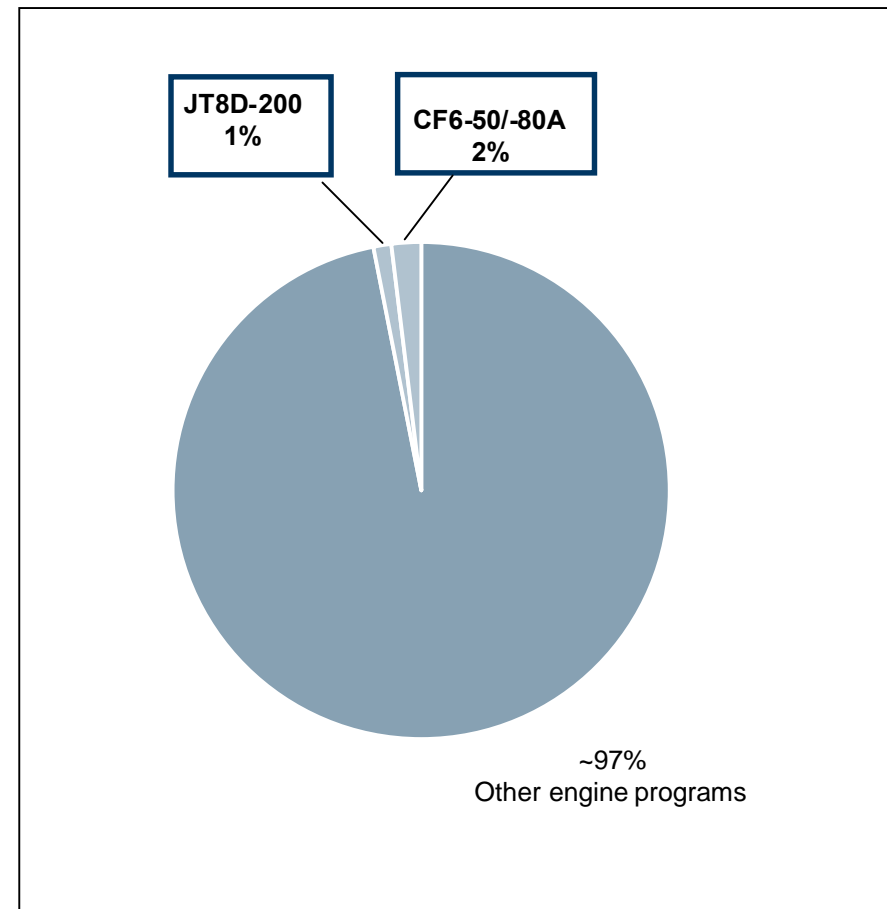
Appendix

Limited Exposure to Engines Above 20 yrs. (JT8D, CF6 old)

MTU installed engine fleet by engine type

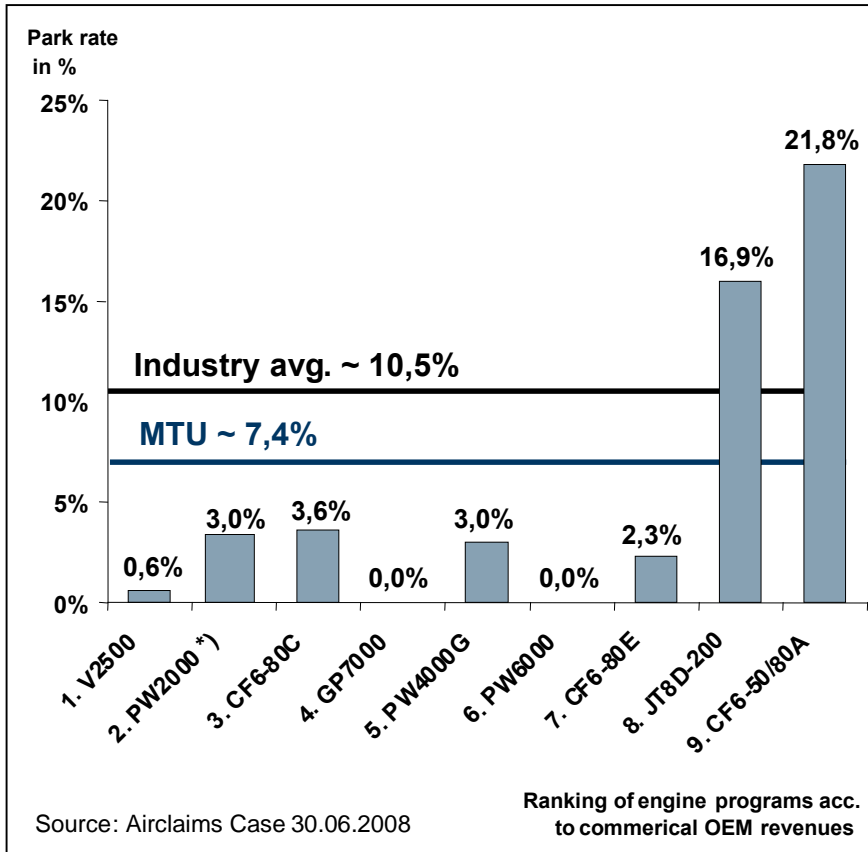


MTU Commercial OEM revenues 2007 by engine type



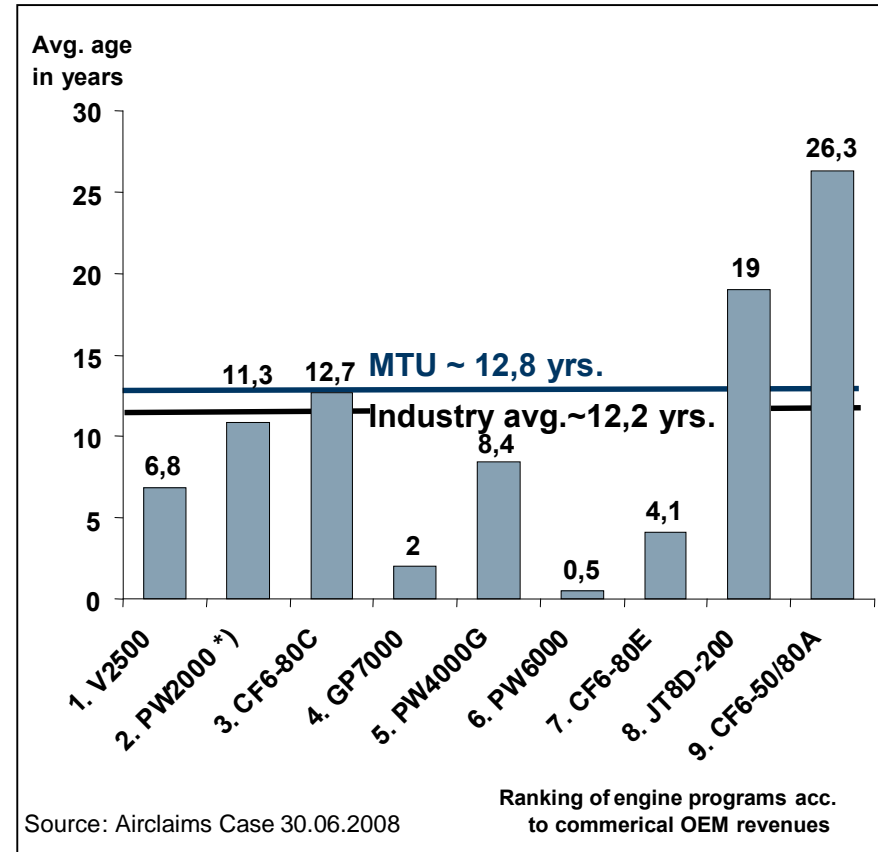
The Top MTU Programs Enjoy Favourable Park Rates and Age Structure

Only 7.4% of MTU engine fleet is parked



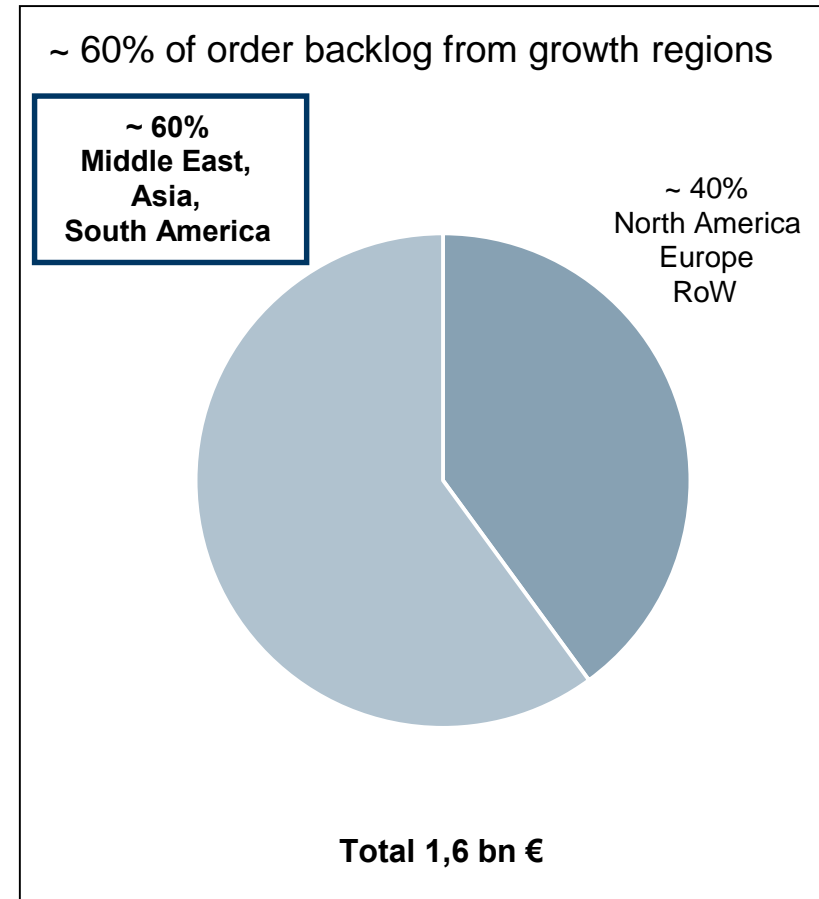
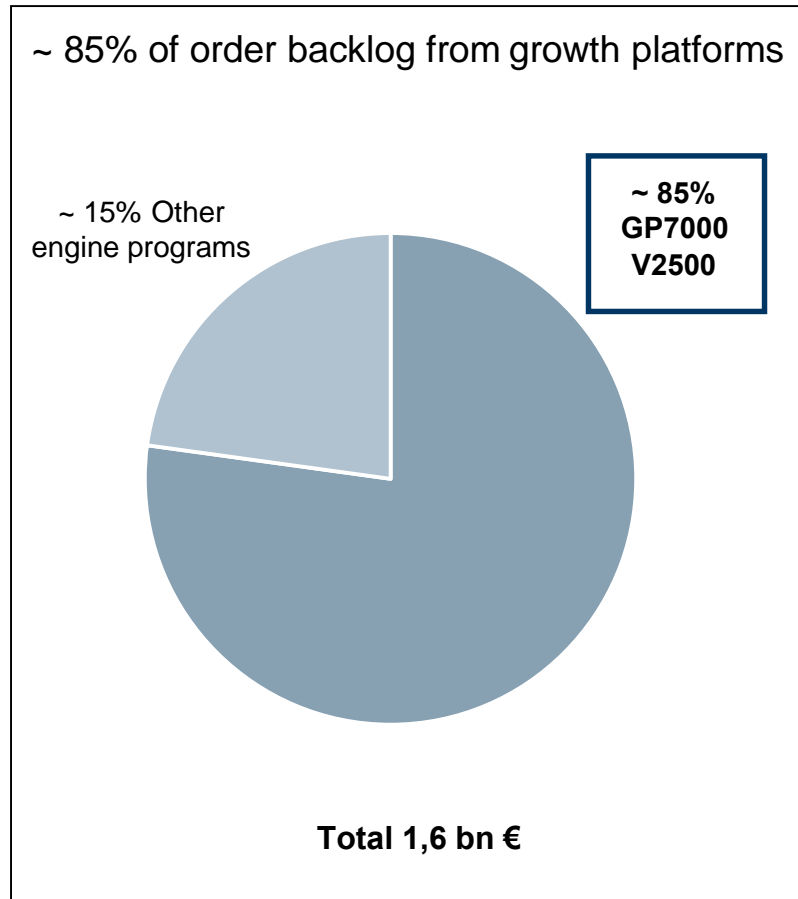
*) PW2000 (commercial) = 5.1%
PW2000 (military) = 0,5%

Average age of MTU active fleet in line with industry



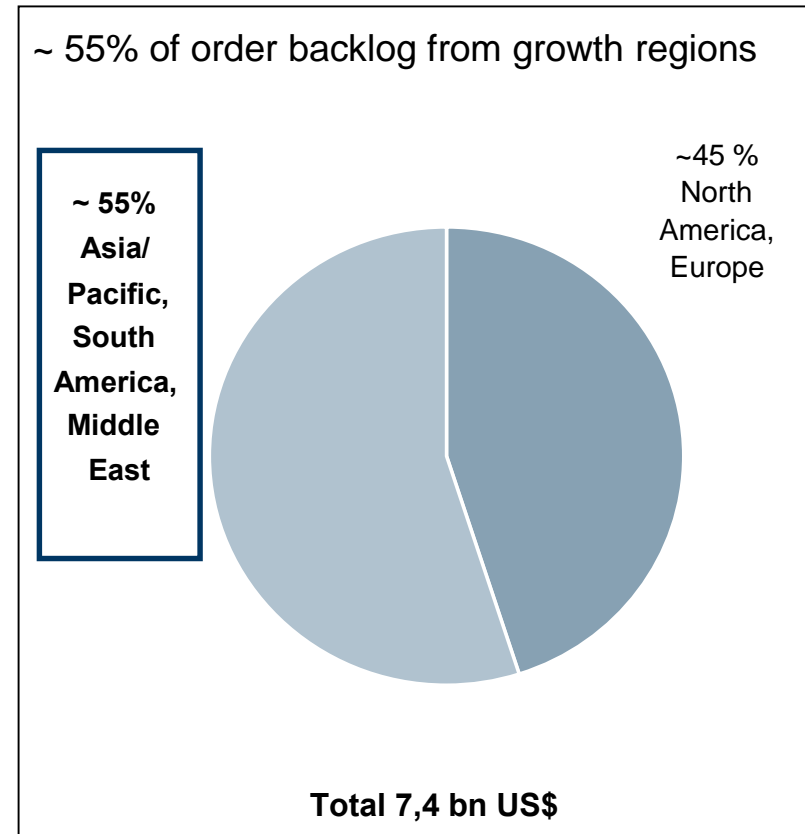
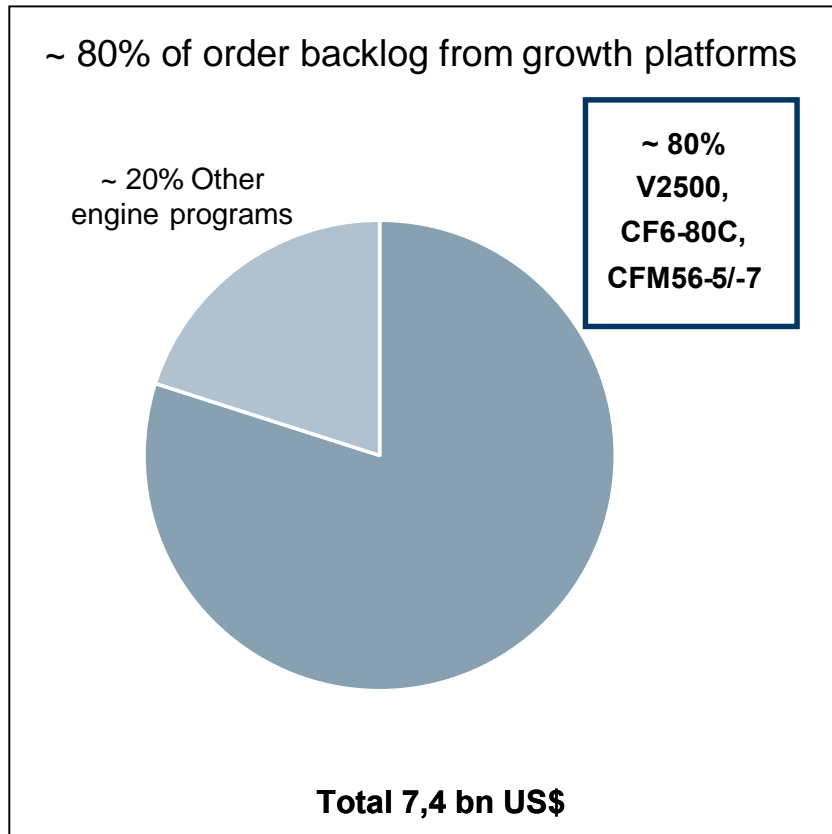
*) PW2000 (commercial) = 15,4 years
PW2000 (military) = 6,6 years

Commercial OEM Order Book Driven by Growth Platforms and Dynamic Regions



note: without PWC programs

Vast Majority of Commercial MRO Contract Volume Derives from Fast Growing Engines and Regions



Downturn Scenario Analysis – Potential Financial Impact for 2008-2010 Timeframe

“ICE AGE” Bad Case Scenario	“WINTER” Current Trend Scenario	“FROST” Good Case Scenario
<ul style="list-style-type: none"> • New engine sales: 10% revenue loss • Spares: Total loss of JTD8 and CF6-50/80A businesses due to grounding of worldwide fleets • MRO: Total loss of CFM56-3 and CF6-50 businesses due to grounding of worldwide fleets <hr style="border-top: 1px dashed #000;"/> <ul style="list-style-type: none"> • Cumulative financial impact 08-10 <ul style="list-style-type: none"> • Revenues Δ -500 m€ • Gross Profit Δ - 100 m€ 	<ul style="list-style-type: none"> • New engine sales: 5-10% revenue loss p.a. mainly for V2500, GP7000, CF6- 80 and PWC programs due to cancellations / deferrals • Spares: 10-30% revenue loss p.a. driven by retirements (JT8D, CF6-50) and capacity cuts (other programs) • MRO: 10-15% revenue loss p.a. driven by retirements (CFM56-3, CF6-50) and capacity cuts (other prgrams) <hr style="border-top: 1px dashed #000;"/> <ul style="list-style-type: none"> • Cumulative financial impact 08-10 <ul style="list-style-type: none"> • Revenues Δ -300 m€ • Gross Profit Δ - 50 m€ 	<ul style="list-style-type: none"> • New engine sales: no loss of series sales • Spares: ~20% revenue loss p.a. driven by retirements (JT8D, CF6-50) and capacity cuts (other programs) • MRO: ~5% revenue loss p.a. driven by retirements (CFM56-3, CF6) and capacity cuts (other programs) <hr style="border-top: 1px dashed #000;"/> <ul style="list-style-type: none"> • Cumulative financial impact 08-10 <ul style="list-style-type: none"> • Revenues Δ -50 m€ • Gross Profit Δ - 20 m€

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Profit & Loss

In m€	Q2 2008	Q2 2007	change	H1 2008	H1 2007	change
Revenues	626.1	620.0	1.0%	1,256.1	1,260.6	-0,4%
Total cost of sales	-516.4	-518.0	-0.3%	-1,036.2	-1,057.0	-2.0%
Gross profit	109.7	102.0	7.5%	219.9	203.6	8.0%
<i>Gross profit margin</i>	<i>17.5%</i>	<i>16.5%</i>		<i>17.5%</i>	<i>16.2%</i>	
R & D company funded	-20.7	-16.4		-34.6	-33.4	
SG&A	-26.1	-31.9		-55.4	-60.1	
Other operating income (expense)	1.8	3.3		2.5	3.6	
EBIT reported	64.7	57.0	13.5%	132.4	113.7	16.4%
EBITDA reported	96.2	90.4	6.4%	194.5	181.0	7.5%
EBITDA adjusted	96.2	90.4	6.4%	194.5	181.0	7.5%
Financial result	-10.2	-12.5		-11.9	-39.4	
Profit before Tax (EBT)	54.5	44.5	22.5%	120.5	74.3	62.2%
Taxes	-18.3	-17.5		-40.1	-29.3	
IFRS net income	36.2	27.0	34.1%	80.4	45.0	78.7%

Revenues / Cost of Sales

in m€	Q2 2008	Q2 2007	change	H1 2008	H1 2007	change
Revenues	626.1	620.0	1.0%	1,256.1	1260.6	-0.4%
OEM Commercial	265.6	271.8	-2.3%	530.9	544.9	-2.6%
OEM Military	113.1	112.6	0.4%	227.2	223.3	1.7%
MRO	254.7	243.0	4.8%	513.0	505.3	1.5%
Consolidation	-7.3	-7.4		-15.0	-12.9	
Cost of Sales	-516.4	-518.0	-0.3%	1,036.2	1,057.0	-2.0%
OEM (commercial / military)	-286.2	-311.3	-8.1%	-577.0	-627.2	-8.0%
MRO	-238.2	-219.5	8.5%	-474.9	-447.9	6.0%
Consolidation	8.0	12.8		15.7	18.1	

Gross Profit / EBIT reported

in m€	Q2 2008	Q2 2007	change	H1 2008	H1 2007	change
Gross Profit	109.7	102.0	7.5%	219.9	203.6	8.0%
OEM (commercial / military)	92.5	73.1	26.5%	181.1	141.0	28.4%
MRO	16.5	23.5	-29.8%	38.1	57.4	-33.6%
Consolidation	0.7	5.4		0.7	5.2	
EBIT reported	64.7	57.0	13.5%	132.4	113.7	16.4%
OEM (commercial / military)	56.9	41.7	36.5%	118.7	75.2	57.8%
MRO	8.1	16.2	-50.0%	15.5	38.3	-59.5%
Consolidation	-0.3	-0.9		-1.8	0.2	

Research & Development

in m€	Q2 2008	Q2 2007	Change	H1 2008	H1 2007	Change
Company expensed R&D	21.4	18.5	15.7%	35.9	35.5	1.1%
OEM	20.0	16.2		33.0	31.9	
MRO	1.4	2.3		2.9	3.6	
Capitalisation of R&D	-0.7	-2.1		-1.3	-2.1	
R&D according to IFRS	20.7	16.4	26.2%	34.6	33.4	3.6%
Customer funded R&D	19.1	21.5	-11.2%	42.3	44.0	-3.9%
Total R&D	40.5	40.0	1.3%	78.2	79.5	-1.6%

EBITDA reported / adjusted

in m€	Q2 2008	Q2 2007	Change	H1 2008	H1 2007	Change
EBITDA reported	96.2	90.4	6.4%	194.5	181.0	7.5%
OEM (commercial / military)	81.2	66.8	21.6%	166.8	125.8	32.6%
MRO	15.3	24.5	-37.6%	29.5	55.0	-46.4%
Consolidation	-0.3	-0.9		-1.8	0.2	
EBITDA adjusted	96.2	90.4	6.4%	194.5	181.0	7.5%
OEM (commercial / military)	81.2	66.8	21.6%	166.8	125.8	32.6
MRO	15.3	24.5	-37.6%	29.5	55.0	-46.4%
Consolidation	-0.3	-0.9		-1.8	0.2	
EBITDA adjusted margin	15.4%	14.6%		15.5%	14.4%	
OEM (commercial / military) margin	21.4%	17.4%		22.0%	16.4%	
MRO margin	6.0%	10.1%		5.8%	10.9%	

Financial Result

in m€	Q2 2008	Q2 2007	Change	H1 2008	H1 2007	Change
Profit / Loss from at equity accounted companies	-0.4	0.1		0.1	-0.6	
Interest Result	-1.5	-2.4	-37.5%	-5.1	-25.1	-79.7%
Interest Income	3.0	1.6		4.3	3.4	
Interest Payments	-4.5	-4.0		-9.4	-28.5 *)	
Other Financial Result	-8.3	-10.2	-18.6%	-6.9	-13.7	-49.6%
Gains/losses out of US\$ cash/financing/capital lease valuation	0.2	-1.4		-1.7	-2.0	
Non cash valuations (swaps)	-3.5	-4.1		5.8	-2.5	
Interests for pension provisions	-5.2	-4.9		-10.4	-9.7	
Others	0.2	0.2		-0.6	0.5	
Total Financial Result	-10.2	-12.5	-18.4%	-11.9	-39.4	-69.8%

*) Interest payments include 19.1m€ redemption fee for the High Yield Bond

Cash Flow

in m€	Q2 2008	Q2 2007	Change	H1 2008	H1 2007	Change
Net income IFRS	36.2	27.0	34.1%	80.4	45.0	78.7%
Depreciation and amortisation	31.5	33.4		62.1	67.3	
Change in Provisions *1)	-6.3	10.0		-7.7	-17.1	
Change in Working Capital	-3.0	-18.8		-13.1	-4.6	
Taxes	5.4	7.5		16.8	32.6	
Interest, derivatives, others	7.3	-0.7		-5.3	-2.7	
Cash Flow from operating activities	71.1	58.4	21.7%	133.2	120.5	10.5%
Cash Flow from investing activities	-37.3	-21.1	76.8%	-56.0	-38.9	44.0%
Free Cash Flow	33.8	37.3	-9.4%	77.2	81.6	-5.4%
Cash Flow from financing activities	-4.9	-45.0	-89.1%	-72.0	-102.5	-29.8%
Effect of exchange rate on cash and cash equivalents	0.1	-0.7		0.7	-0.5	
Change in cash and cash equivalents	29.0	-8.4		5.9	-21.4	

*1) includes pension provisions and other provisions

Working Capital

in m€	30.06.2008	31.12.2007	Change	Change in %
Gross inventories	680.2	587.8	-92.4	
Prepayments	-506.7	-439.7	67.0	
Receivables	671.4	705.5	34.1	
Payables	-551.8	-573.6	-21.8	
Working Capital	293.1	280.0	-13.1	-4.7%

PPA depreciation/amortisation (in m€)

Total depreciation / amortisation	Q2 2008	Q2 2007	H1 2008	H1 2007
MTU total	31.5	33.4	62.1	67.3
OEM	24.3	25.1	48.1	50.6
MRO	7.2	8.3	14.0	16.7
PPA depreciation / amortisation	Q2 2008	Q2 2007	H1 2008	H1 2007
MTU total	12.1	13.9	24.4	28.0
OEM	10.8	11.9	21.9	24.1
MRO	1.3	2.0	2.5	3.9
Depreciation / amortisation w/o PPA	Q2 2008	Q2 2007	H1 2008	H1 2007
MTU total	19.4	19.5	37.7	39.3
OEM	13.5	13.2	26.2	26.5
MRO	5.9	6.3	11.5	12.8

Difference between Reported and Underlying Net Income

	H1 2008		H1 2007	
	Underlying Net income	Reported Net income	Underlying Net income	Reported Net income
EBITDA adj.	194.5	194.5	181.0	181.0
Adjustments	0	0	0	0
EBITDA reported	194.5	194.5	181.0	181.0
<i>Depr. regular</i>	-37.7	-37.7	-39.3	-39.3
<i>Dr. PPA</i>		-24.4		-28.0
EBIT	156.8	132.4	141.7	113.7
<i>Financial Result</i>	-11.9	-11.9	-39.4	-39.4
EBT	144.9	120.5	102.3	74.3
<i>TAX (in 08: 32.6% / in 07:40,4%)</i>	-47.2	-40.1	-41.3	-29.3
Net Income	97.7	80.4	61.0	45.0
EPS	1.96	1,61	1.15	0,85

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements contained herein may be statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements that are forward-looking by reason of context, the words "may," "will," "should," "expect," "plan," "intend," "anticipate," "forecast," "believe," "estimate," "predict," "potential," or "continue" and similar expressions identify forward-looking statements.

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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