Half-Yearly Financial Report January 1 to June 30, 2009

MTU Aero Engines Holding AG, Munich

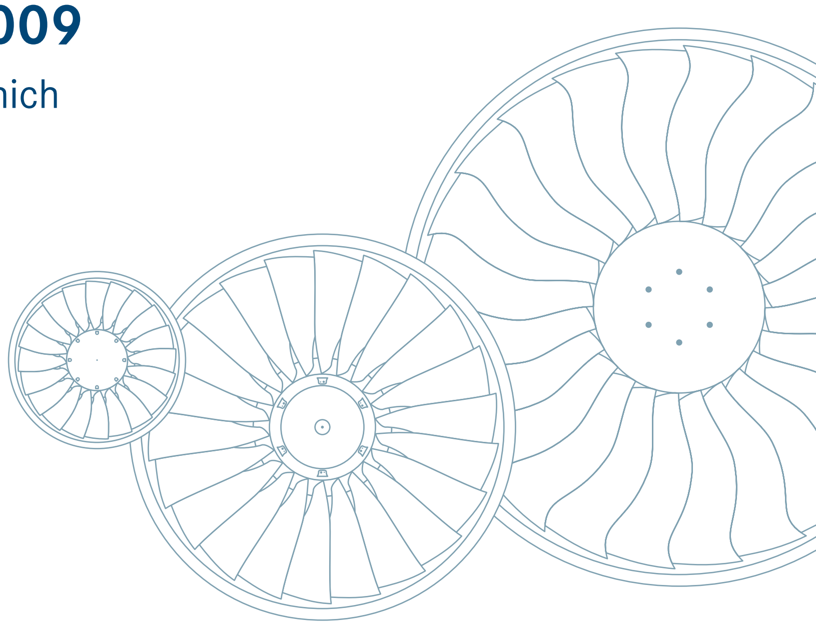


Table of Contents

Key Facts and Figures for the Group (First Half-Year)

in € million (unless otherwise specified)	2009	2008
Revenues and earnings		
Revenues	**1,376.0**	**1,256.1**
thereof: Commercial and Military engine business (OEM) [1]	802.1	758.1
thereof: Commercial maintenance business (MRO) [1]	589.0	513.0
Gross profit	**216.7**	**219.9**
Gross profit in %	15.7	17.5
Earnings before interest and taxes (EBIT)	**114.2**	**132.4**
EBIT in %	8.3	10.5
Adjusted earnings before interest and taxes (EBIT adjusted)	**137.1**	**156.8**
EBIT adjusted in %	10.0	12.5
Earnings after taxes (EAT)	**55.7**	**80.4**
Comprehensive income for the period	**60.9**	**76.3**
Order backlog and value of contracts (Previous year: Dec. 31, 2008)		
Order backlog and value of MRO contracts (order volume)	**8,781.7**	**9,245.7**
Commercial and Military engine business (OEM)	3,774.4	3,884.5
Commercial maintenance business (MRO)	5,007.3	5,361.2
Statement of financial position (Previous year: Dec. 31, 2008)		
Total assets	3,183.6	3,196.1
Equity	637.8	617.4
Equity ratio in %	20.0	19.3
Financial liabilities	325.4	336.4
Cash flow		
Cash flow from operating activities	119.8	133.2
Cash flow from investing activities	-53.1	-56.0
Free cash flow	66.7	77.2
Free cash flow as % of revenues	4.8	6.1
Cash flow from financing activities	-24.4	-72.0
Number of employees at quarter end	**7,555**	**7,196**
Commercial and Military engines business (OEM)	4,879	4,637
Commercial maintenance business (MRO)	2,676	2,559
Share data		
Earnings per share (in €)		
Undiluted earnings per share (in €)	1.14	1.61
Diluted earnings per share (in €)	1.12	1.56

[1]) before consolidation

General Economic Environment

The first indications are emerging in the aviation industry that the lowest point of the downturn has been reached and that a further decline has been stopped. The air traffic analysis published by IATA shows a 7.7 % decrease in passenger figures for the first five months of 2009. The low point was probably reached in March with a drop of 11.1 %. The April figure was only down by 3.1 %, followed by a 9.3 % drop in May. Freight traffic volumes fell by 21.3 % in the first five months of the year. Here too, there are some signs of improvement: compared with a contraction of 21.7 % in April, the drop in freight traffic volumes was only 17.4 % in May. Demand for MRO business can usually be measured by reference to capacity, i.e. the number of “seat kilometers” or “ton kilometers”. Capacity decreased during the first five months of 2009 at a slower rate than traffic volumes with the number of passengers and freight flights fell by 3.9 % and 10.4 %, respectively.

The price of oil has risen, partly due to a weak US dollar and partly reflecting the renewed willingness of major investors to take risks. However, fundamental data does not offer much support for the price increase: the demand for oil remains weak and reserves have reached new peak records. The average price of kerosene during the second quarter 2009 was $67 per barrel (oil: $60 per barrel) and thus 18 % above its first-quarter average price. Despite the increase, the price remained 50 % below the record levels seen in 2008.

Airline companies’ revenues continue to fall despite the stabilization in travel and freight volumes. For 2009, the IATA forecasts losses for the airline industry of some US dollar 9 billion and a negative margin of 2 %. As recently as March, the forecast figure had only been US dollar 4.7 billion. The forecast was revised primarily as a result of unexpectedly weak demand, excess capacities and the rising price of oil.

The Airclaims CASE database showed an order backlog of 7,255 aircraft (including 248 military versions) for Airbus and Boeing at June 30, 2009, equivalent to seven years of production. There are bound to be delays as the airline companies endeavor to retain cash funds and bring capacities into line with demand. The order backlog is not currently a reason for concern: despite the lack of new orders for aircraft (only 200 ordered in the first year of 2009 compared with 1,600 in the same period in 2008) and despite the first order cancellations, the backlog shrank at a rate of only 1 % per month.

Airbus and Boeing produced 485 aircraft during the first half of 2009, which means they could well reach their target of 950 aircraft for 2009.

The business aircraft segment has been unexpectedly heavily hit: according to GAMA, engine deliveries in the first quarter were 35 % down on the previous year, falling from 603 to 390 units.

1 Operating environment

1.1 Business activities and markets

MTU Aero Engines Holding AG (MTU or “the company“) with its consolidated group of companies ranks among the world’s largest manufacturers of aircraft engines. In revenue terms, the company is the world’s largest independent provider of commercial aero engine maintenance services.

MTU operates in two principal segments: OEM business – which includes spare parts for commercial and military engines as well as Military MRO – and Commercial MRO business.

OEM business (Commercial and Military engines business)

MTU works in partnership with the world’s leading engine manufacturers - General Electric, Pratt & Whitney and Rolls-Royce – on programs to develop and manufacture commercial engines. It designs and manufactures modules as well as components and carries out final assembly work. Major engine programs at present include the GP7000 for the Airbus A380 and the V2500 for the Airbus A320 family. MTU’s work on engine modules is focused on low-pressure turbines and high-pressure compressors. The company is also active in the industrial gas turbine (IGT) sector, developing and manufacturing stationary gas turbines.

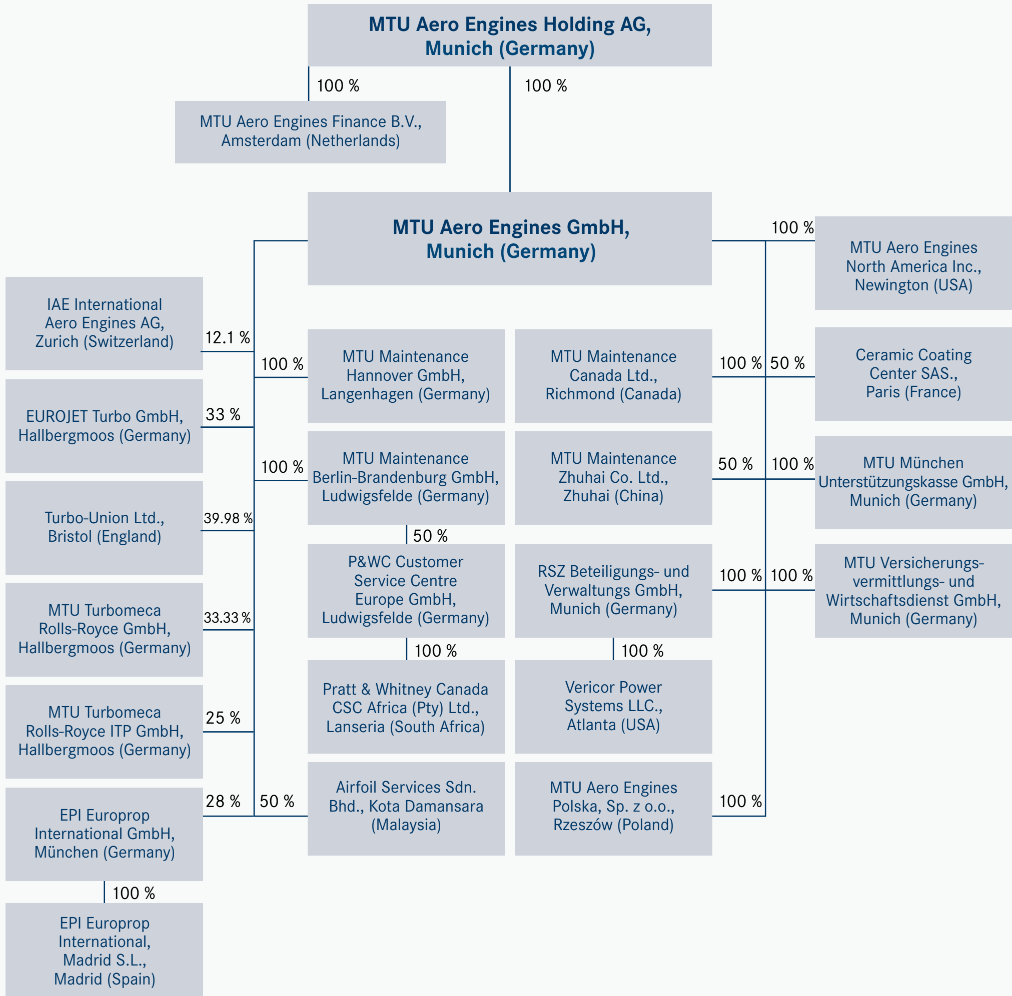
In the military domain, MTU develops and maintains engine modules and components, manufactures spare parts, supervises final engine assembly and provides maintenance services. As lead industrial partner to the German armed forces, the company provides support for virtually every type of aero engine in service with the Bundeswehr. MTU is the German partner in all major military engine programs at a European level, the most important of these being the EJ200 for the Eurofighter and the TP400-D6 for the new A400M military transporter.

MRO business (Commercial maintenance business)

All Commercial MRO activities are pooled in the MTU Maintenance Group, which repairs and overhauls aero engines and industrial gas turbines. The company is particularly active in the high-growth markets of the V2500, CF6, CFM56, CF34 and PW2000 programs and in the field of industrial gas turbines. Commercial MRO customers include airlines and IGT operators all over the world.

1.2 Organization and locations

Structure of the MTU Group



MTU Aero Engines Holding AG and its affiliates are present in the most important markets and regions. The global network of affiliates and associated companies, the maintenance business and the research and development activities are all controlled from the company's central offices in Munich, which is also the location of its main manufacturing site. This facility also develops, manufactures, assembles, tests and markets commercial and military engine components and modules, develops new manufacturing processes and repair techniques, assembles and repairs military engines.

All the company's commercial MRO activities are pooled under the MTU Maintenance business. MTU Maintenance Hannover, based in Langenhagen, is the largest maintenance plant in the MTU network. It supports mid-sized and large commercial engines and provides services such as customer training and a 24-hour service.

Small engines and industrial gas turbines are supported by MTU Maintenance Berlin-Brandenburg, located at Ludwigsfelde near Berlin, which also assembles the TP400-D6 production engines for the A400M military transporter.

Further information concerning the activities of the group's foreign subsidiaries is provided in the Annual Report 2008 (pages 38 and 39). In line with schedule, MTU Aero Engines Poland has been manufacturing and repairing engine parts in Rzeszów, in South East Poland since the beginning of the second quarter 2009.

2 Research and development

Technological changes within the aviation sector take place at an extremely rapid pace and require a continual source of innovation. Research and development expenditure will remain at a high level during the financial years 2009 and 2010. Expenditure on research and development during the first six months of the year totalled € 93.9 million, mostly relating to new engine programs. The research and development ratio – measured as R&D expenditure divided by revenues – increased by 0.6 percentage points to 6.8 % (January - June 2008: 6.2 %).

Research and development expenses

in € million	Group Jan. 1 to June 30, 2009	OEM Jan. 1 to June 30, 2009	MRO Jan. 1 to June 30, 2009
Commercial engine business	49.1	49.1	
Commercial maintenance business	6.8		6.8
Commercial engine/Commercial maintenance business	**55.9**	**49.1**	**6.8**
Military engine business	**38.0**	**38.0**	
Research and development (before amounts capitalized)	**93.9**	**87.1**	**6.8**
R&D ratio (as % of revenues)	6.8	10.9	1.2

The amounts invested are sub-divided into company-funded and externally funded R&D expenditure. Company-funded expenditure is borne by the group, whereas externally funded expenditure is financed by customers. Company-funded expenditure is disclosed in the table below and in the selected explanatory notes (note 8). By contrast, externally funded R&D activities are accounted for as construction contracts in accordance with IAS 11 due to the fact that the work is commissioned specifically by national and international consortia. R&D expenses of € 93.9 million (January - June 2008: € 78.2 million) included € 53.1 million (January - June 2008: € 35.9 million) relating to company-funded R&D expenditure. Of this amount, € 46.3 million (January - June 2008: € 33.0 million) relate to Commercial and Military engine business (OEM). A total of € 3.5 million relating to the GE38 engine program was recognized as capitalized developments costs.

The expense for Commercial maintenance business during the six-month period was € 6.8 million (January - June 2008: € 2.9 million).

The following table analyzes the research and development expense reported in the income statement (see section "Selected Explanatory Notes").

Research and development expenses reported in income statement

in € million	Group Jan. 1 to June 30, 2009	OEM Jan. 1 to June 30, 2009	MRO Jan. 1 to June 30, 2009
Commercial engine business	41.9	41.9	
Commercial maintenance business	6.8		6.8
Military engine business	4.4	4.4	
Company-funded R&D	**53.1**	**46.3**	**6.8**
Capitalized development costs	-5.5	-3.5	-2.0
Research and development expenses per income statement	**47.6**	**42.8**	**4.8**

3 Financial review

3.1 Key figures at a glance

Key figures at a glance in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Revenues	**1,376.0**	**1,256.1**	**682.9**	**626.1**
Cost of sales	-1,159.3	-1,036.2	-585.0	-516.4
Gross profit	**216.7**	**219.9**	**97.9**	**109.7**
Other expenses allocated to functions	-102.5	-87.5	-47.4	-45.0
Earnings before interest and taxes (EBIT)	**114.2**	**132.4**	**50.5**	**64.7**
Write-down on assets resulting from PPA	22.9	24.4	11.4	12.1
Adjusted earnings before interest and taxes (EBIT adjusted)	**137.1**	**156.8**	**61.9**	**76.8**
Finance result	-20.6	-11.9	0.1	-10.2
Earnings before taxes (EBT)	**93.6**	**120.5**	**50.6**	**54.5**
Income taxes	-37.9	-40.1	-25.9	-18.3
Earnings after taxes (EAT)	**55.7**	**80.4**	**24.7**	**36.2**
Undiluted earnings per share in €	**1.14**	**1.61**	**0.50**	**0.73**
Diluted earnings per share in €	**1.12**	**1.56**	**0.50**	**0.71**

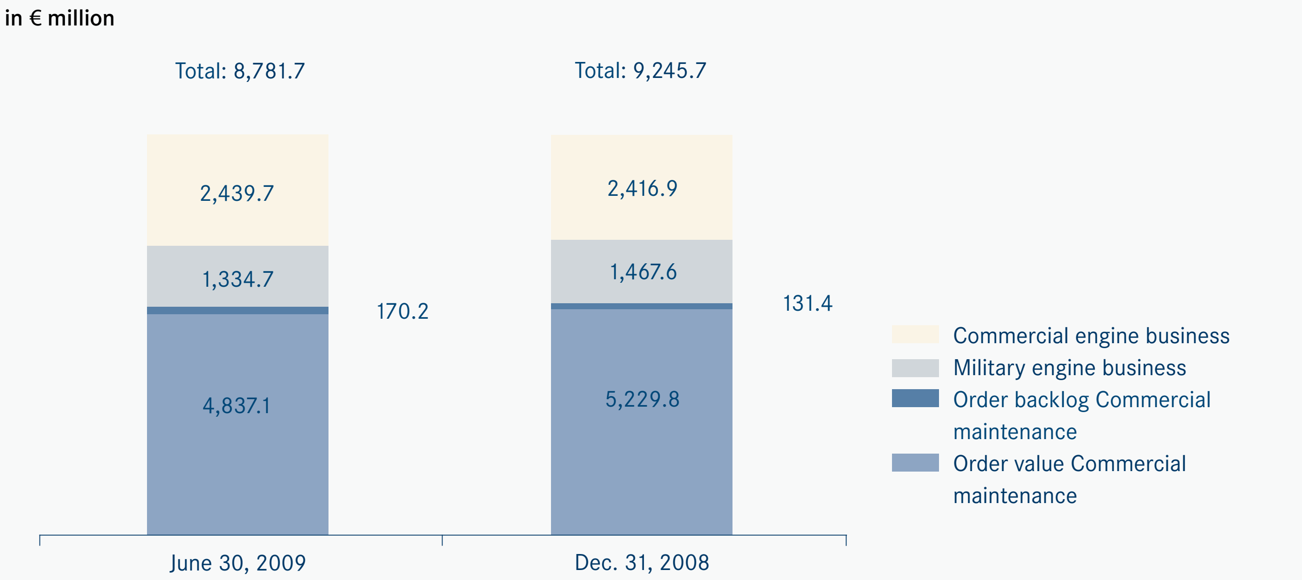
Consolidated Statement of Comprehensive income in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Earnings after taxes (EAT)	55.7	80.4	24.7	36.2
Income and expenses recognized directly in equity	5.2	-4.1	22.4	-6.4
Comprehensive income for the period	**60.9**	**76.3**	**47.1**	**29.8**

3.2 Order backlog and value of MRO contracts (order volume)

MTU's order backlog consists of firm orders placed directly by customers which commit the group to delivering products or providing services. Orders for maintenance work to be performed under the contractual terms of long-term, service agreements are not included in the order backlog for the commercial MRO business. In order to obtain a picture of the economic value of the total contracted order volume and the corresponding degree of capacity utilization, the figures for the contracted value of service agreements in the Commercial MRO business are disclosed separately in addition to the backlog for Commercial and Military engine business (OEM) and the Commercial maintenance business (MRO).

Order backlog including value of MRO contracts (order volume) in € million	June 30, 2009	Dec 31, 2008
Commercial engine business	2,439.7	2,416.9
Military engine business	1,334.7	1,467.6
Commercial and Military engine business (OEM)	**3,774.4**	**3,884.5**
Order backlog commercial maintenance	170.2	131.4
Order value commercial maintenance	4,837.1	5,229.8
Commercial maintenance business (MRO)/order volume	**5,007.3**	**5,361.2**
Total	**8,781.7**	**9,245.7**

Order backlog including the value of MRO orders (without consolidation)



The group's order backlog including the value of MRO contracts (order volume) at June 30, 2009 totalled € 8,781.7 million (unconsolidated basis) and was therefore € 464.0 million lower than at December 31, 2008. The backlog for Commercial engine business was € 22.8 million higher than at December 31, 2008. Due to the delivery of the second tranche of EJ200 engines for the Eurofighter, the order backlog for Military engine business decreased by € 132.9 million during the period under report. The backlog including the value of MRO contracts was € 353.9 million lower than at December 31, 2008.

The order backlog at June 30, 2009 corresponds to a workload of approximately three years. Excluding the value of MRO contracts, the backlog corresponds to a workload of just under one and a half years.

3.3 Operating results, financial situation and net assets

Group operating results for the six-month period to June 30, 2009

Revenues

Revenues for the period from January 1 to June 30, 2009 rose by € 119.9 million (9.5 %) to € 1,376.0 million. Commercial and Military engine business (OEM) revenues were up by € 44.0 million (5.8 %), while Commercial maintenance (MRO) revenues increased by € 76.0 million (14.8 %). Adjusted for the US dollar impact (i.e. using the same exchange rate as in the corresponding period last year), group revenues for the six-month period would have decreased by € 30.2 million (2.4 %).

Cost of sales and gross profit

Cost of sales for the six-month period increased by € 123.1 million (11.9 %) to € 1,159.3 million, therefore rising faster than revenues. At a segment level, the cost of sales for the Commercial and Military engine business increased by € 72.8 million (12.6 %) to € 649.8 million (and therefore more pronounced than the increase in OEM revenues), whereas cost of sales for the Commercial maintenance business increased by € 50.9 million (10.7 %) to € 525.8 million (and therefore less pronounced than the increase in MRO revenues). As a result, the gross profit for the period decreased in absolute terms by € 3.2 million (1.5 %) to € 216.7 million.

Research and development expenses

Research and development expenditure before capitalization of development costs totalled € 53.1 million in the period from January to June 2009, € 17.2 million (47.9 %) higher than one year earlier.

Selling and general administrative expenses

Selling expenses and general administrative expenses increased only marginally compared with the corresponding period last year, with each expense block up by € 0.5 million.

Amortization and depreciation

Depreciation and amortization included in expense lines by function in the first six months of the year totalled € 61.3 million (January - June 2008: € 62.1 million).

Adjusted earnings before interest and taxes (EBIT adjusted)

The effects of the purchase price allocation resulting from the acquisition of the company (including any impairment losses subsequently recorded) are added back to earnings before interest and taxes (EBIT). This gives rise to adjusted earnings before interest and taxes (EBIT adjusted).

The EBIT adjusted for the first six months of 2009 fell by € 19.7 million (12.6 %) to € 137.1 million (January - June 2008: € 156.8 million), mainly reflecting the higher level of research and development expenses recognized during the period (up by € 13.0 million to € 47.6 million). The margin at an adjusted EBIT level was 10.0 % (January - June 2008: 12.5 %).

Financial result

The financial result for the six-month period under report was a net expense of € 20.6 million compared with a net expense of € 11.9 million one year earlier. The deterioration was primarily attributable to the negative impact of the fair value measurement of foreign currency holdings reported as part of the financial result on other items.

Earnings before taxes (EBT)

As a result of the drop in earnings before interest and taxes (EBIT) and the increase in net negative financial result, earnings before taxes (EBT) for the first half of 2009 fell by € 26.9 million to € 93.6 million (January - June 2008: € 120.5 million).

Earnings after taxes (EAT)

Earnings after taxes (EAT) for the period from January 1 to June 30, 2009 decreased accordingly by € 24.7 million to € 55.7 million (January - June 2008: € 80.4 million).

Group comprehensive income

In the statement of group comprehensive income, the net profit (earnings after taxes) of € 55.7 million (January - June 2008: € 80.4 million) is reconciled to the comprehensive income for the period of € 60.9 million (January - June 2008: € 76.3 million). The difference relates to fair value gains on financial instruments (net of tax) amounting to € 9.7 million (January - June 2008: fair value losses of € 3.5 million) and to net negative differences arising on the translation of the financial statements of consolidated group companies amounting to € 4.5 million (January - June 2008: net negative differences of € 0.6 million).

Financial position

The consolidated statement of cash flows shows the sources and applications of cash flows for the period from January 1 to June 30, 2009, classified into cash flows from operating, investing and financing activities.

Consolidated cash flows

in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008
Cash flow from operating activities	119.8	133.2
Cash flow from investing activities	-53.1	-56.0
Free cash flow	**66.7**	**77.2**
Cash flow from financing activities	-24.4	-72.0
Exchange-rate fluctuations	-2.7	0.7
Change in cash and cash equivalents	**39.6**	**5.9**
Cash and cash equivalents at January 1	69.9	67.3
Cash and cash equivalents at June 30	109.5	73.2

Cash flow from operating activities

The cash flow from operating activities for the six-month period decreased by € 13.4 million to € 119.8 million (January - June 2008: € 133.2 million). Despite the lower level of funds tied up in working capital, the decrease came about as a result of the lower gross profit generated and higher tax payments made.

Cash flow from investing activities

The cash outflow for investing activities for the six-month period was € 53.1 million compared with € 56.0 million in the previous year. Capital expenditure on property, plant and equipment for the six-month period was almost at the same level as one year earlier. By contrast, investment in intangible assets was € 6.4 million higher, mainly due to development costs required to be capitalized and additions to program assets. Proceeds from the sale of items of property, plant and equipment in the first six months of 2009 totalled € 6.5 million (January - June 2008: € 0.0 million).

Free cash flow

Free cash flow (the sum of the cash inflow from operating activities and the cash outflow for investing activities) for the six-month period totalled € 66.7 million (January - June 2008: € 77.2 million).

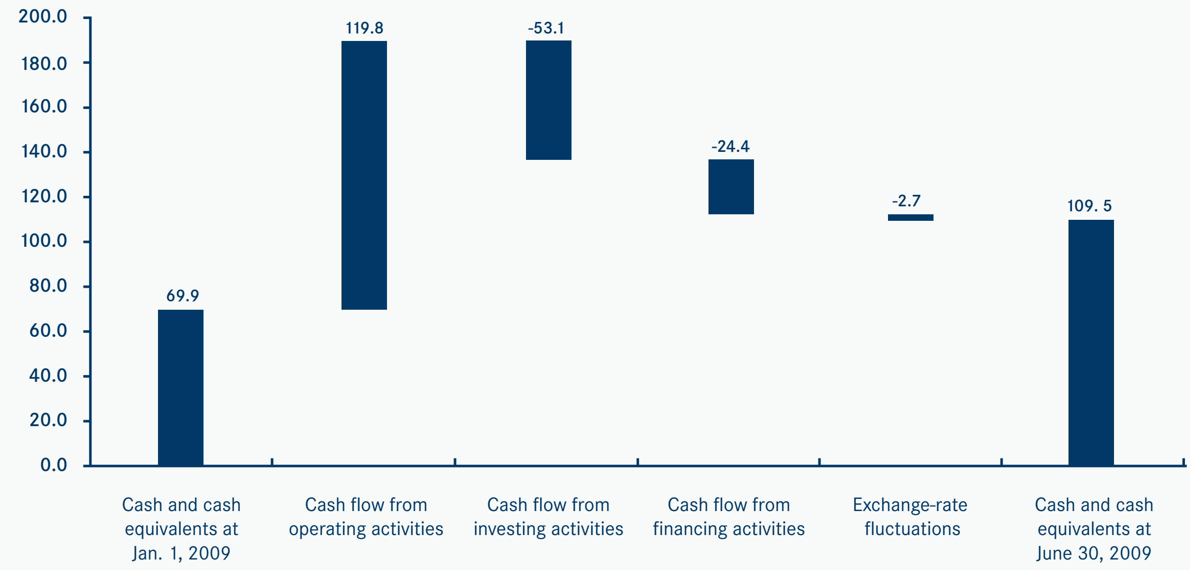
Cash flow from financing activities

The cash outflow from financing activities during the period from January to June 2009 was € 24.4 million compared with a cash outflow of € 72.0 million one year earlier. The RCF overdraft was reduced by € 43.0 million during the period under report following the issue of several promissory notes generating proceeds of € 64.6 million (net of transaction costs). The dividend for the financial year 2008 (€ 45.4 million) was also paid during the period. The corresponding outflow of € 72.0 million recorded in the previous year resulted from the buy-back of treasury shares and payment of the dividend for the financial year 2007.

Cash and cash equivalents

After adjustment for the effects of exchange-rate fluctuations, the various cash flows resulted in an increase in cash and cash equivalents of € 39.6 million (January - June 2008: increase of € 5.9 million).

Analysis of cash inflows and outflows



Net financial liabilities

Net financial liabilities are calculated as gross financial liabilities less financial assets and represent a key figure for the group's liquidity position. Net financial liabilities decreased during the six-month period to June 30, 2009, by € 50.1 million (19.7 %) to € 204.6 million, mainly reflecting lower liabilities relating to derivative instruments (due to exchange-rate factors) and an increased level of cash and cash equivalents.

Net financial liabilities

in € million	June 30, 2009	Dec. 31, 2008
Convertible bond	145.0	145.4
Financial liabilities to banks		
Promissory notes	64.9	
Revolving Credit Facility (RCF)	18.2	61.2
Other bank credits	16.7	21.3
Financial liabilities to related companies*)	2.7	
Finance lease liabilities	31.2	34.0
Loan from the province of British Columbia to MTU Maintenance Canada	11.9	11.1
Retrospective purchase price adjustment	15.0	15.0
Negative fair values of derivative financial instruments	19.8	48.4
Gross financial debt	**325.4**	**336.4**
Cash and cash equivalents	109.5	69.9
Positive fair values of derivative financial instruments	11.3	11.8
Net financial liabilities	**204.6**	**254.7**

*) MTU Versicherungsvermittlung- und Wirtschaftsdienst GmbH, Munich, which is not consolidated on the grounds of immateriality.

Net assets position

Changes in items in the statement of financial position

Total assets were practically unchanged at June 30, 2009 compared with December 31, 2008.

Non-current assets decreased by € 7.7 million mainly as a result of amortization recognized on intangible assets. Current assets also decreased overall by € 4.8 million. This included a € 4.2 million decrease in inventories and a € 31.7 million decrease in trade and contract production receivables. Current other assets decreased by € 10.7 million during the period under report mainly as a result of lower value added tax receivables.

As a result of the net positive cash flows, cash and cash equivalents increased during the first six months of 2009 by € 39.6 million to € 109.5 million.

Group equity increased from € 617.4 million to € 637.8 million. It was increased by the group net profit (earnings after taxes) for the six-month period amounting to € 55.7 million, by fair value gains on derivatives (net of deferred tax) recognized directly in equity amounting to € 9.7 million and by the sale of Employee Stock Program (MAP) shares amounting to € 3.3 million. It was reduced on the other hand by translation differences amounting to € 4.5 million and by the dividend payment totalling € 45.4 million.

The equity ratio improved by 0.7 percentage points to 20.0 %.

Pension provisions increased by € 8.6 million in line with schedule.

Whereas non-current other provisions were largely unchanged, current other provisions were € 32.3 million lower than at December 31, 2008, mainly due to a decrease in provisions for personnel obligations, sales deductions and retrospective costs.

Income tax liabilities take account of advance payments made during the period.

Financial liabilities decreased as a result of fair value changes in derivative financial instruments (see note 27).

Trade payables were down by € 65.3 million to € 430.4 million due to timing factors at the end of the reporting period.

Contract production liabilities (net of receivables) increased by € 46.3 million to € 566.9 million. The increase in advance payments related primarily to the EJ200 engine program for Saudi Arabia.

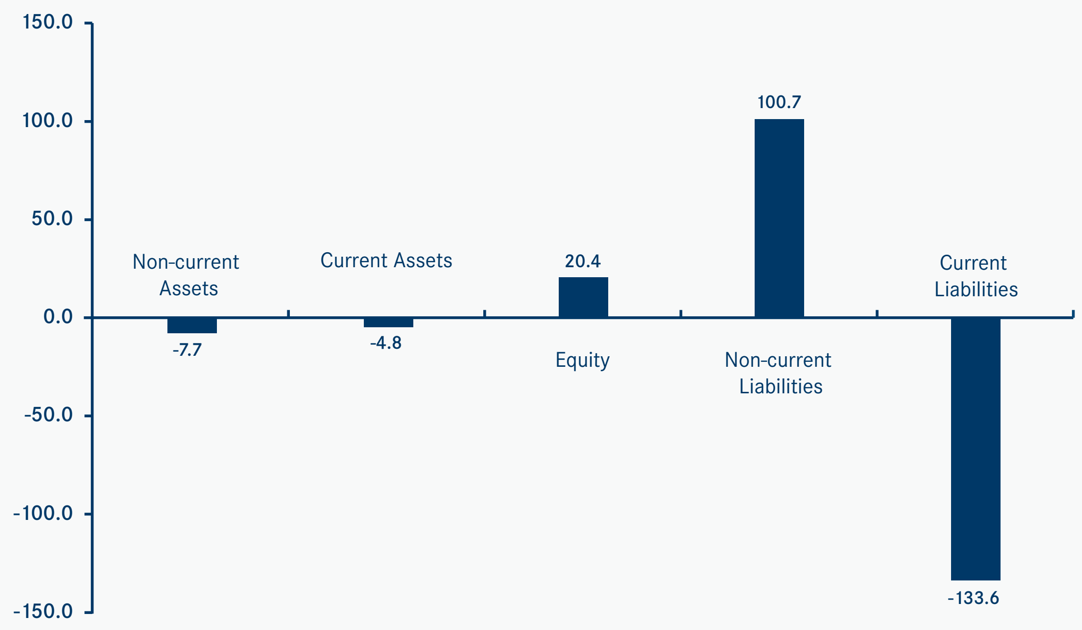
Other liabilities increased by € 8.7 million to € 114.5 million mainly reflecting lower other tax liabilities (down by € 2.3 million) and higher personnel-related obligations (up by € 11.5 million).

The following table shows the changes in assets and liabilities during the period from December 31, 2008 to June 30, 2009, analyzed by current and non-current items:

Change in Assets, Equity and Liabilities

(Changes in assets, equity and liabilities in the period from December 31, 2008 to June 30, 2009)	€ million	€ million
Non-current Assets		-7.7
Intangible assets	-17.2	
Property, plant and equipment	7.4	
Financial assets	-1.1	
Financial assets accounted for using the equity method	-0.1	
Other assets	1.8	
Deferred tax assets	1.5	
Current Assets		-4.8
Inventories	-4.2	
Trade receivables	-81.1	
Contract production receivables	49.4	
Income tax assets	-1.0	
Financial assets	0.7	
Other assets	-10.7	
Cash and cash equivalents	39.6	
Prepayments	2.5	
Change in Assets		-12.5
Equity		20.4
Non-current Liabilities		100.7
Provisions	8.6	
Financial liabilities	46.1	
Contract production liabilities	56.2	
Other liabilities	2.0	
Deferred tax liabilities	-12.2	
Current Liabilities		-133.6
Provisions	-32.3	
Income tax liabilities	24.3	
Financial liabilities	-57.1	
Trade payables	-65.3	
Contract production liabilities	-9.9	
Other liabilities	6.7	
Change in Equity and Liabilities		-12.5

Change in Assets, Equity and Liabilities



3.4 Operating segments

Key figures for operating segments

in € million	2009	2008
Commercial and Military engine business (OEM)		
Revenues	802.1	758.1
Order backlog (Previous year: December 31, 2008)*)	3,774.4	3,884.5
Capital expenditure on property, plant and equipment and on intangible assets	47.0	17.3
Number of employees (Quarter average)	4,918	4,631
Earnings before interest and taxes (EBIT)	77.9	118.7
Commercial maintenance business (MRO)		
Revenues	589.0	513.0
Order backlog and value of MRO contracts (Previous year: December 31, 2008)*)	5,007.3	5,361.2
Capital expenditure on property, plant and equipment and on intangible assets	12.6	18.1
Number of employees (Quarter average)	2,653	2,545
Earnings before interest and taxes (EBIT)	37.5	15.5

*) includes value of orders (see explanation provided in the selected notes to the interim group management report; section 3.2)

Commercial and Military engine business (OEM segment)

Earnings performance for the six-month period to June 30, 2009

Revenues

The Commercial and Military engine business (OEM) segment generated revenues of € 802.1 million during the first six months of 2009, € 44.0 million (5.8 %) up on the previous year. Within those figures, revenues from Commercial engine business rose by € 39.3 million (7.4 %) to € 570.2 million, while revenues from Military engine business, at € 231.9 million, were slightly up on the previous year's level (January - June 2008: € 227.2 million). Adjusted for the US dollar impact, revenues would have amounted to € 728.3 million and therefore would have been € 29.8 million (3.9 %) lower than one year earlier.

Cost of sales and gross profit

Segment cost of sales include material and personnel expenses, scheduled depreciation and amortization, the change in inventories of work in progress and expenses charged to MTU by consortium leaders in return for marketing new engines. Cost of sales of the OEM segment in the first six months of 2009, at € 649.8 million, were € 72.8 million (12.6 %) higher than in the previous year (January - June 2008: € 577.0 million). The gross profit decreased by € 28.8 million as cost of sales increased faster than revenues. The gross margin percentage therefore fell from 23.9 % to 19.0 %.

Adjusted earnings before interest and taxes (EBIT adjusted)

As a result of the lower gross profit and the sharp increase in research and development expense, adjusted earnings before interest and taxes (EBIT adjusted) for the first six months of 2009 were down by € 42.2 million (30.0 %) to € 98.4 million and the adjusted gross profit percentage fell to 12.3 %.

Earnings performance for the second quarter 2009

Revenues

Second-quarter revenues generated by the Commercial and Military engine business (OEM) segment totalled € 403.3 million, which was € 24.6 million (6.5 %) up on the previous year. Within those figures, revenues from Commercial engine business rose by € 20.0 million (7.5 %) to € 285.6 million while revenues from Military engine business, at € 117.7 million, were € 4.6 million (4.1 %) up on the previous year's level (April - June 2008: € 113.1 million). Adjusted for the US dollar impact, revenues would have amounted to € 366.5 million and therefore would have been € 12.2 million (3.2 %) lower than one year earlier.

Cost of sales and gross profit

Cost of sales of the OEM segment in the second quarter 2009, at € 337.5 million, were € 51.3 million (17.9 %) higher than in the previous year (April - June 2008: € 286.2 million). The gross profit decreased by € 26.7 million as cost of sales increased faster than revenues. The gross margin percentage therefore fell from 24.4 % to 16.3 %.

Adjusted earnings before interest and taxes (EBIT adjusted)

As a result of the lower gross profit, adjusted earnings before interest and taxes (EBIT adjusted) for the period from April 1 to June 30, 2009 decreased by € 24.1 million (35.6 %) to € 43.6 million compared with the same period last year. The adjusted gross profit percentage fell to 10.8 %.

Commercial maintenance (MRO segment)

Earnings performance for the six-month period to June 30, 2009

Revenues

Revenues generated by the MRO segment in the period from January 1 to June 30, 2009 amounted to € 589.0 million, which was € 76.0 million (14.8 %) higher than in the corresponding period in 2008. Adjusted for the US dollar impact, revenues would have been roughly at the previous year's level.

Cost of sales and gross profit

Cost of sales for the first six months of 2009 increased by € 50.9 million (10.7 %) to € 525.8 million. Thanks to the increase in revenues, the gross profit improved by € 25.1 million (65.9 %) to € 63.2 million and the gross profit percentage improved from 7.4 % to 10.7 %.

Adjusted earnings before interest and taxes (EBIT adjusted)

As a result of the increased gross profit, the segment's adjusted earnings before interest and taxes (EBIT adjusted) for the six-month period rose by € 21.9 million (121.7 %) to € 39.9 million. The adjusted gross profit percentage for the Commercial engine maintenance segment improved to 6.8 % (January – June 2008: 3.5 %).

Earnings performance for the second quarter 2009

Revenues

Revenues generated by the MRO segment in the quarter from April 1 to June 30, 2009 amounted to € 286.6 million, which was € 31.9 million (12.5 %) higher than in the corresponding period in 2008. Adjusted for the US dollar impact, revenues would have amounted to € 249.6 million.

Cost of sales and gross profit

Cost of sales for the second quarter increased by € 15.4 million (6.5 %) to € 253.6 million. Thanks to the increase in revenues, the gross profit increased by € 16.5 million (100.0 %) to € 33.0 million and the gross profit percentage improved from 6.5 % to 11.5 %.

Adjusted earnings before interest and taxes (EBIT adjusted)

As a result of the increased gross profit, the segment's second-quarter adjusted earnings before interest and taxes (EBIT adjusted) improved by € 11.2 million (119.1 %) to € 20.6 million. The adjusted gross profit percentage for the Commercial engine maintenance segment improved to 7.2 % (April - June 2008: 3.7 %).

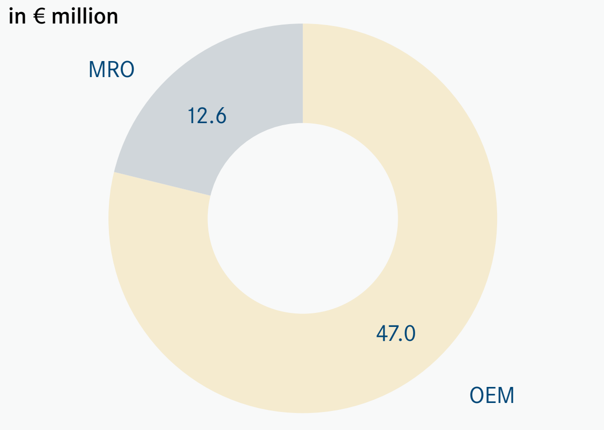
3.5 Capital expenditure

Capital expenditure during the first half of 2009 totalled € 59.6 million (January - June 2008: € 56.0 million). This comprised € 47.0 million spent by the OEM segment (January - June 2008: € 37.9 million) and € 12.6 million spent by the MRO segment (January - June 2008: € 18.1 million).

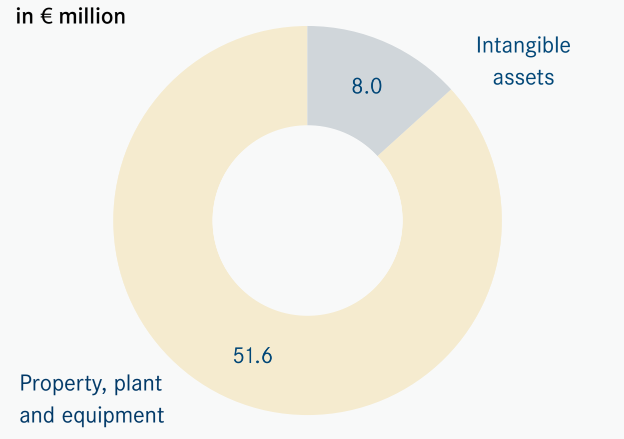
Capital expenditure by segment

in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008
OEM segment		
Intangible assets	5.8	
Property, plant and equipment	41.2	17.3
Financial assets		20.6
Total OEM segment	**47.0**	**37.9**
MRO segment		
Intangible assets	2.2	1.7
Property, plant and equipment	10.4	16.4
Total MRO segment	**12.6**	**18.1**
Total	**59.6**	**56.0**

Capital expenditure by segment Jan. 1, - June 30, 2009



Capital expenditure by type of asset Jan. 1, - June 30, 2009



Capital expenditure in the OEM segment during the first six months of the year totalled € 47.0 million (January - June 2008: € 37.9 million) of which € 5.8 million was invested in intangible assets (January - June 2008: € 0.0 million) and € 41.2 million in property, plant and equipment (January - June 2008: € 37.9 million). Capital expenditure on financial assets in the previous year (€ 20.6 million) related to contributions paid into capital reserves of MTU Aero Engines Polska Sp. z.o.o., Rzeszów, Poland. The amount invested was subsequently used by MTU Aero Engines Polska Sp. z.o.o., Rzeszów, Poland, to construct a production hall.

Capital expenditure on intangible assets includes internally generated and capitalized development costs (€ 3.5 million) relating to the GE38 military engine for the Sikorsky CH-53K heavy-lift helicopter.

Capital expenditure of the MRO segment during the period from January 1 to June 30, 2009 included € 10.4 million spent on property, plant and equipment (January - June 2008: € 16.4 million). The decrease was attributable to the completion of the new test-bed for large-sized engines at MTU Maintenance Hannover GmbH, Langenhagen. Investments in intangible assets (€ 2.2 million) related mainly to specialized procedures to repair and maintain engines more economically (January - June 2008: € 1.7 million).

3.6 Employees

At June 30, 2009, MTU had 7,555 employees. The workforce has therefore increased by 18 employees since December 31, 2008, with the increase in the first half of the year relating to the MRO segment.

At June 30, 2009, 6,817 employees (90.2 %) worked for group companies in Germany and 738 employees (9.8 %) for group companies outside Germany.

4 Outlook and risk report

With regard to the group's opportunities and risk situation, the outlook for net assets, financial and earnings as well a description of the group's risk management systems, reference is made to the MTU Annual Report 2008 (pages 102 to 117) and to the disclaimer at the end of this Half-Yearly Financial Report.

Although business conditions in the aviation sector deteriorated during the first half of 2009, the first indications are emerging that the lowest point of the downturn has been reached and that a further decline has been stopped. With regard to major changes in risks as well as legal and regulatory risks, reference is made in particular to the "General economic environment" and "Subsequent events" sections of the interim group management report.

We have not identified any further major risks during the first six months of the financial year 2009 which have not been disclosed in the Annual Report 2008 or in this interim group management report (in particular in the sections "General economic environment" and "Subsequent events"). Further risks – of which we are not currently aware or which we do not at present assess as being major – could also impair business activities in the future. We do not, however, expect any risks to arise which – either on their own or in combination with other risks – could jeopardize the going concern status of the MTU Group.

Furthermore, we have no new information that leads us to believe that the forecasts and other assertions regarding the group's development in the financial year 2009, as provided in the group management report for the year ended December 31, 2008, have changed significantly.

5 Report on significant transactions with related parties (entities and individuals)

MTU Group companies did not enter into any contracts with members of the Board of Management, the Supervisory Board or with other key management personnel or with companies in whose management or supervisory boards those persons are represented. The same applies to close members of the families of those persons.

Transactions with related entities are conducted on an arm's length basis. Transactions with related entities are disclosed in the Condensed Interim Consolidated Financial Statement, note 31.

6 Subsequent events

Events after the end of the reporting period (June 30, 2009)

There have been no significant events after the end of the interim reporting period (June 30, 2009) and prior to the date of authorization for issue of the Half-Yearly Financial Report on July 21, 2009.

Acquisition of an investment (MEPC)

An agreement was signed on July 16, 2008 with United Technologies International Corporation, East Hartford, USA, relating to the proposed acquisition of shares in Middle East Propulsion Company (MEPC) based in the Kingdom of Saudi Arabia. The Share Purchase Agreement was amended on December 16, 2008 in order to clarify the details of pre-emption rights. Under the terms of the agreement, MTU Aero Engines GmbH, Munich, will acquire 125,450 shares with a par value of SA 12,545,000 (Saudi riyals), corresponding to a 19.3 % investment in the Saudi company's capital. In addition to MTU Aero Engines GmbH, Munich, the companies United Technologies International, Delaware (USA), Saudi Arabian Airlines (Saudi Arabia), Shomoukh Al Hemman for Communication and Information (Saudi Arabia) and Wamar International, Inc., California (USA) will also take a stake in MEPC.

The original planned transfer of shares prior to the end of April 2009 has been postponed. It is now planned – subject to the regulatory approval process in Saudi Arabia, that it will take place after the closing – probably during the third quarter of 2009. MTU does not have any shareholder or other controlling rights until such time that the shares are transferred.

Consolidated Income Statement

in € million	(Notes)	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Revenues	(6)	1,376.0	1,256.1	682.9	626.1
Cost of sales	(7)	-1,159.3	-1,036.2	-585.0	-516.4
Gross profit		**216.7**	**219.9**	**97.9**	**109.7**
Research and development expenses	(8)	-47.6	-34.6	-18.9	-20.7
Selling expenses	(9)	-34.6	-34.1	-17.6	-16.6
General administrative expenses	(10)	-21.8	-21.3	-9.2	-9.5
Other operating income and expenses	(11)	1.5	2.5	-1.7	1.8
Earnings before interest and taxes (EBIT)		**114.2**	**132.4**	**50.5**	**64.7**
Interest income		0.4	4.3	0.1	3.0
Interest expenses		-6.6	-9.4	-3.1	-4.5
Interest result	(12)	-6.2	-5.1	-3.0	-1.5
Result from equity accounted investments	(13)	-0.1	0.1	-0.5	-0.4
Financial result on other items	(14)	-14.3	-6.9	3.6	-8.3
Financial result		**-20.6**	**-11.9**	**0.1**	**-10.2**
Earnings before taxes (EBT)		**93.6**	**120.5**	**50.6**	**54.5**
Income taxes	(15)	-37.9	-40.1	-25.9	-18.3
Earnings after taxes (EAT)		**55.7**	**80.4**	**24.7**	**36.2**
Earnings per share in €					
Undiluted (EPS)	(16)	1.14	1.61	0.50	0.73
Diluted (DEPS)	(16)	1.12	1.56	0.50	0.71

Consolidated Statement of Comprehensive Income

in € million	(Notes)	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Earnings after taxes (EAT)		**55.7**	**80.4**	**24.7**	**36.2**
Translation differences		-4.5	-0.6	-2.8	1.1
Changes in the fair value measurement of derivative financial instruments		14.3	-5.2	37.3	-11.1
Deferred taxes recognized directly in equity		-4.6	1.7	-12.1	3.6
Income and expenses recognized directly in equity		**5.2**	**-4.1**	**22.4**	**-6.4**
Comprehensive income for the period	(17)	**60.9**	**76.3**	**47.1**	**29.8**

Consolidated Statement of Financial Position

Assets

in € million	(Notes)	June 30, 2009	Dec. 31,2008
Non-current assets			
Intangible assets	(18)	1,257.7	1,274.9
Property, plant and equipment	(19)	532.5	525.1
Financial assets	(20)	11.5	12.6
Financial assets accounted for using the equity method	(20)	3.5	3.6
Other assets	(24)	5.8	4.0
Deferred tax assets		2.9	1.4
Total non-current assets		**1,813.9**	**1,821.6**
Current assets			
Inventories	(21)	657.2	661.4
Trade receivables	(22)	379.3	460.4
Contract production receivables	(23)	188.3	138.9
Income tax assets			1.0
Financial assets	(20)	4.7	4.0
Other assets	(24)	24.9	35.6
Cash and cash equivalents		109.5	69.9
Prepayments		5.8	3.3
Total current assets		**1,369.7**	**1,374.5**
Total assets		**3,183.6**	**3,196.1**

Equity and Liabilities

in € million	(Notes)	June 30, 2009	Dec. 31,2008
Equity	(25)		
Subscribed capital		52.0	52.0
Capital reserves		352.7	354.5
Revenue reserves		335.6	325.3
Treasury shares		-93.4	-100.1
Other comprehensive income		-9.1	-14.3
Total equity and Liabilities		**637.8**	**617.4**
Non-current liabilities			
Pension provisions		380.3	371.7
Other provisions	(26)	224.0	224.0
Financial liabilities	(27)	105.0	58.9
Contract production liabilities	(28)	329.2	273.0
Other liabilities	(29)	30.6	28.6
Deferred tax liabilities	(30)	215.4	227.6
Total non-current liabilities		**1,284.5**	**1,183.8**
Current liabilities			
Pension provisions		18.5	18.5
Income tax liabilities		47.3	23.0
Other provisions	(26)	223.1	255.4
Financial liabilities	(27)	220.4	277.5
Trade payables		430.4	495.7
Contract production liabilities	(28)	237.7	247.6
Other liabilities	(29)	83.9	77.2
Total current liabilities		**1,261.3**	**1,394.9**
Total equity and liabilities		**3,183.6**	**3,196.1**

Consolidated Statement of Changes in Equity

in € million	Subscribed capital	Capital reserves	Revenue reserves	Treasury shares	Other comprehensive income	Total
Balance at January 1, 2008	**55.0**	**460.0**	**191.9**	**-156.3**	**11.4**	**562.0**
Changes in the fair value measurement of derivative financial instruments					-3.5	**-3.5**
Translation differences					-0.6	**-0.6**
= Income and expenses recognized directly in equity					**-4.1**	**-4.1**
Earnings after taxes (EAT)			80.4			**80.4**
= Comprehensive income for the period			**80.4**		**-4.1**	**76.3**
Capital reduction through cancellation of shares	-3.0	-101.4		104.4		
Acquisition of treasury shares				-44.8		**-44.8**
Dividend payment			-46.3			-46.3
Employee Stock Program (MAP)		-3.3		8.2		4.9
Matching Stock Program (MSP)		0.4				**0.4**
Balance at June 30, 2008	**52.0**	**355.7**	**226.0**	**-88.5**	**7.3**	**552.5**
Balance at January 1, 2009	**52.0**	**354.5**	**325.3**	**-100.1**	**-14.3**	**617.4**
Changes in the fair value measurement of derivative financial instruments					9.7	**9.7**
Translation differences					-4.5	**-4.5**
= Income and expenses recognized directly in equity					**5.2**	**5.2**
Earnings after taxes (EAT)			55.7			**55.7**
= Comprehensive income for the period			**55.7**		**5.2**	**60.9**
Dividend payment			-45.4			**-45.4**
Employee Stock Program (MAP)		-3.4		6.7		**3.3**
Matching Stock Program (MSP)		1.6				**1.6**
Balance at June 30, 2009	**52.0**	**352.7**	**335.6**	**-93.4**	**-9.1**	**637.8**

Reference is made to the disclosures on equity components provided in note 25.

Consolidated Statement of Cash Flows

in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008
Earnings after taxes (EAT)	55.7	80.4
Amortization of intangible assets and depreciation of property, plant and equipment	61.3	62.1
Profit/loss of companies accounted for at cost	0.1	-0.1
Losses/gains on disposal of intangible assets and property, plant and equipment	-0.2	0.3
Changes in pension provisions	8.6	11.0
Changes in other provisions	-32.3	-18.7
Other non-cash items	-12.1	-5.0
Movements in working capital [1])	32.4	-13.1
Interest result	6.2	5.1
Interest paid	-6.7	-9.9
Interest received	0.4	4.3
Income taxes	37.9	40.1
Income taxes paid and received	-31.5	-23.3
Cash flow from operating activities	**119.8**	**133.2**
Capital expenditure on:		
Intangible assets	-8.0	-1.7
Property, plant and equipment	-51.6	-33.7
Financial assets		-20.6
Proceeds from disposal of:		
Property, plant and equipment	6.5	
Cash flow from investing activities	**-53.1**	**-56.0**
Free cash flow [2])	**66.7**	**77.2**
Dividend payment	-45.4	-46.3
Promissory notes raised [3])	64.6	
Other financial liabilities raised/repaid [4])	-46.9	-14.2
Acquisition of treasury shares		-44.8
Sale of shares in conjunction with Employee Stock Program (MAP)	3.3	4.9
Cash flow from financing activities	**-24.4**	**-72.0**
Exchange rate	-2.7	0.7
Other changes in funds	**-2.7**	**0.7**
Change in cash and cash equivalents	**39.6**	**5.9**
Cash and cash equivalents at January 1	69.9	67.3
Cash and cash equivalents at June 30	109.5	73.2

[1]) Change in inventories, trade receivables, contract production receivables, trade payables, contract production liabilities, other asset, advance payments to suppliers and other liabilities

[2]) Cash flow from operating activities less cash flow from investing activities

[3]) After transaction costs

[4]) Thereof: Revolving Credit Facility (RCF) € 43.0 million (previous year: € 22.0 million)

Group Segment Information

Segment information by operating segment

The activities of the MTU Group's operating segments as well as changes in the presentation of segment information are described in notes 5 and 31 of this Half-Yearly Financial Report. Reference is also made to the Annual Report of MTU Aero Engines Holding AG for the year ended December 31, 2008. Segment information for the period from January 1 to June 30, 2009, for the quarter from April 1 to June 30, 2009 and for the corresponding prior year periods is as follows:

Segment information by operating segment 2009

	Commercial and Military engine business (OEM)		Commercial maintenance business (MRO)		Other Group Entities		Consolidation/ reconciliation		Group	
in € million	Jan. 1 to June 30, 2009	Q 2 2009	Jan. 1 to June 30, 2009	Q 2 2009	Jan. 1 to June 30, 2009	Q 2 2009	Jan. 1 to June 30, 2009	Q 2 2009	Jan. 1 to June 30, 2009	Q 2 2009
External revenues	791.0	398.2	585.0	284.7					1,376.0	682.9
Inter-segment revenues	11.1	5.1	4.0	1.9	4.2	2.3	-19.3	-9.3		
Total revenues	**802.1**	**403.3**	**589.0**	**286.6**	**4.2**	**2.3**	**-19.3**	**-9.3**	**1,376.0**	**682.9**
Cost of sales	**-649.8**	**-337.5**	**-525.8**	**-253.6**			**16.3**	**6.1**	**-1,159.3**	**-585.0**
Gross Profit	**152.3**	**65.8**	**63.2**	**33.0**	**4.2**	**2.3**	**-3.0**	**-3.2**	**216.7**	**97.9**
Earnings before interest and taxes (EBIT)	**77.9**	**33.4**	**37.5**	**19.4**	**-1.2**	**-0.8**		**-1.5**	**114.2**	**50.5**
Amortization/depreciation expense resulting from purchase price allocation	20.5	10.2	2.4	1.2					22.9	11.4
Adjusted earnings before interest and taxes (EBIT adjusted)	**98.4**	**43.6**	**39.9**	**20.6**	**-1.2**	**-0.8**		**-1.5**	**137.1**	**61.9**
Current amortization/depreciation expense	25.7	12.9	12.7	6.3					38.4	19.2
Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA adjusted)	**120.6**	**54.7**	**52.6**	**26.9**	**-1.2**	**-0.8**		**-1.5**	**172.0**	**79.3**
Result from equity accounted investments			-0.1	-0.5					-0.1	-0.5
Interest and other financial result	-15.9	4.3	-0.2	-2.1	-4.7	-1.8	0.3	0.2	-20.5	0.6
Earnings before taxes (EBT)	**58.9**	**36.1**	**40.3**	**18.4**	**-5.9**	**-2.6**	**0.3**	**-1.3**	**93.6**	**50.6**
Cash flow from operating activities	**54.8**	**74.6**	**26.9**	**-4.1**	**38.0**	**-10.5**	**0.1**		**119.8**	**60.0**
Capital expenditure										
Intangible assets	5.8	3.8	2.2	2.2					8.0	6.0
Property, plant and equipment	41.2	23.2	10.4	3.0					51.6	26.2
Segment assets (June 30, 2009)	**2,906.4**		**823.8**		**832.1**		**-1,378.7**		**3,183.6**	
- thereof: goodwill	306.7		100.0						406.7	
- thereof: equity accounted investments			3.5						3.5	
Segment liabilities (June 30, 2009)	**2,065.5**		**397.8**		**398.8**		**-316.3**		**2,545.8**	
Significant non-cash expenses	**22.9**	**6.0**	**3.4**	**1.5**	**2.0**	**1.0**	**-0.3**	**-0.2**	**28.0**	**8.3**
Employees, quarter average	**4,918**		**2,653**						**7,571**	
Key segment data:										
Gross profit in %	19.0	16.3	10.7	11.5	100.0	100.0			15.7	14.3
EBIT in %	9.7	8.3	6.4	6.8	-28.6	-34.8			8.3	7.4
EBIT adjusted in %	12.3	10.8	6.8	7.2	-28.6	-34.8			10.0	9.1
EBITDA adjusted in %	15.0	13.6	8.9	9.4	-28.6	-34.8			12.5	11.6

Segment information by operating segment 2008

in € million	Commercial and Military engine business (OEM) Jan. 1 to June 30, 2008	Commercial and Military engine business (OEM) Q 2 2008	Commercial maintenance business (MRO) Jan. 1 to June 30, 2008	Commercial maintenance business (MRO) Q 2 2008	Other Group Entities Jan. 1 to June 30, 2008	Other Group Entities Q 2 2008	Consolidation/ reconciliation Jan. 1 to June 30, 2008	Consolidation/ reconciliation Q 2 2008	Group Jan. 1 to June 30, 2008	Group Q 2 2008
External revenues	750.1	374.6	506.0	251.5					1,256.1	626.1
Inter-segment revenues	8.0	4.1	7.0	3.2	2.9	2.0	-17.9	-9.3		
Total revenues	**758.1**	**378.7**	**513.0**	**254.7**	**2.9**	**2.0**	**-17.9**	**-9.3**	**1,256.1**	**626.1**
Cost of sales	-577.0	-286.2	-474.9	-238.2			15.7	8.0	-1,036.2	-516.4
Gross Profit	**181.1**	**92.5**	**38.1**	**16.5**	**2.9**	**2.0**	**-2.2**	**-1.3**	**219.9**	**109.7**
Earnings before interest and taxes (EBIT)	**118.7**	**56.9**	**15.5**	**8.1**	**-2.2**	**-0.8**	**0.4**	**0.5**	**132.4**	**64.7**
Amortization/depreciation expense resulting from purchase price allocation	21.9	10.8	2.5	1.3					24.4	12.1
Adjusted earnings before interest and taxes (EBIT adjusted)	**140.6**	**67.7**	**18.0**	**9.4**	**-2.2**	**-0.8**	**0.4**	**0.5**	**156.8**	**76.8**
Current amortization/depreciation expense	26.2	13.5	11.5	5.9					37.7	19.4
Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA adjusted)	**166.8**	**81.2**	**29.5**	**15.3**	**-2.2**	**-0.8**	**0.4**	**0.5**	**194.5**	**96.2**
Result from equity accounted investments			0.1	-0.4					0.1	-0.4
Interest and other financial result	-2.6	-7.6	-3.6		-5.8	-2.2			-12.0	-9.8
Earnings before taxes (EBT)	**113.2**	**47.9**	**14.9**	**9.1**	**-8.0**	**-3.0**	**0.4**	**0.5**	**120.5**	**54.5**
Cash flow from operating activities	**128.0**	**5.0**	**-26.7**	**15.4**	**32.3**	**50.9**	**-0.4**	**-0.2**	**133.2**	**71.1**
Capital expenditure										
Intangible assets			1.7	1.1					1.7	1.1
Property, plant and equipment	17.3	10.2	16.4	5.2					33.7	15.4
Segment assets (Dec. 31, 2008)	**2,823.7**		**858.5**		**720.7**		**-1,206.8**		**3,196.1**	
- thereof: goodwill	308.0		100.2						408.2	
- thereof: equity accounted investments			3.6						3.6	
Segment liabilities (Dec. 31, 2008)	**2,028.7**		**459.7**		**234.8**		**-144.5**		**2,578.7**	
Significant non-cash expenses	**27.0**	**12.7**	**3.3**	**1.2**	**1.9**	**0.9**			**32.2**	**14.8**
Employees, quarter average	**4,631**		**2,545**						**7,176**	
Key segment data:										
Gross profit in %	23.9	24.4	7.4	6.5	100.0	100.0			17.5	17.5
EBIT in %	15.7	15.0	3.0	3.2	-75.9	-40.0			10.5	10.3
EBIT adjusted in %	18.5	17.9	3.5	3.7	-75.9	-40.0			12.5	12.3
EBITDA adjusted in %	22.0	21.4	5.8	6.0	-75.9	-40.0			15.5	15.4

Disclosure by geographical region

The following table shows figures for the group by geographical region:

Segment Information by geographical region 2009

in € million	Revenues Jan. 1 to June 30, 2009	Capital expenditure Jan. 1 to June 30, 2009	Assets June 30, 2009
Germany	240.1	41.3	2,809.1
Europe	159.5	16.8	231.4
North America	762.0	1.2	44.1
South America	65.3		
Africa	0.9		
Asia	136.9	0.3	95.5
Australia/Oceania	11.3		
Financial assets accounted for using the equity method			3.5
	1,376.0	**59.6**	**3,183.6**

Segment Information by geographical region 2008

in € million	Revenues Jan. 1 to June 30, 2008	Capital expenditure Jan. 1 to June 30, 2008	Assets Dec. 31, 2008
Germany	249.2	34.4	2,832.4
Europe	166.6		211.2
North America	667.3	0.9	54.4
South America	27.8		
Africa	1.0		
Asia	131.5	0.1	94.5
Australia/Oceania	12.7		
Financial assets accounted for using the equity method			3.6
	1,256.1	**35.4**	**3,196.1**

Selected Explanatory Notes to the Interim Consolidated Financial Statements

1 General information

MTU Aero Engines Holding AG and its subsidiary companies (hereafter referred to as “Group” or “Group Companies“) comprise one of the world’s leading manufacturers of engine modules and components, and the world’s leading independent provider of commercial engine MRO services.

The business activities of the Group cover the entire life-cycle of an engine program, i.e. from development, construction, testing and production of new commercial and military engines and spare parts, through to maintenance, repair and overhaul of commercial and military engines. MTU’s activities focus on two segments: “Commercial and Military engine business (OEM)” and “Commercial maintenance business (MRO)”.

MTU’s Commercial engine business covers the development and production of modules, components and spare parts for commercial engine programs, including final assembly. MTU’s Military engine business focuses on the development and production of modules and components for engines, production of spare parts and final assembly as well as maintenance services for these engines. Commercial maintenance business covers activities in the area of maintenance and logistical support for commercial engines.

MTU Aero Engines Holding AG with its headquarters at Dachauer Str. 665, 80995 Munich, Germany, is registered under HRB 157 206 in the Commercial Registry at the District Court of Munich.

2 Basis of preparation

In compliance with the provisions of § 37y of the German Securities Trading Act (WpHG) in conjunction with § 37w no. 2 WpHG, MTU’s Half-Yearly Financial Report comprises interim consolidated financial statements, an condensed interim group management report and a responsibility statement from the company’s legal representatives. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) relevant for interim financial reporting, as endorsed by the European Union (EU). The interim group management report has been drawn up in compliance with the applicable provisions of the WpHG.

3 Statement of compliance

The condensed interim consolidated financial statements as at June 30, 2009 have been drawn up in compliance with IAS 34. As permitted by IAS 34, MTU has elected to provide condensed information in its interim consolidated financial statements compared with the consolidated financial statements as at December 31, 2008. The same accounting policies have been applied as in the consolidated financial statements for the financial year 2008.

All of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and applicable at the end of the reporting period that have been applied by MTU in the condensed interim consolidated financial statements have been endorsed by the European Commission for use in the EU. The condensed interim consolidated financial statements therefore also comply with IFRSs issued by the IASB.

From the perspective of management, the Half-yearly Financial Report – which has been reviewed by an independent auditor – contains all customary accounting adjustments necessary for a fair presentation of the operating results, financial situation and net assets of the MTU Group. Reference is made to the notes to the consolidated financial statements as at December 31, 2008 for further information regarding the basis of preparation and accounting policies used.

4 Adjustments to the condensed interim consolidated financial statements

IFRS 8 “Operating Segments“, which is mandatory for annual periods beginning on or after January 1, 2009, was published in November 2006. IFRS 8 replaces IAS 14 “Segment Reporting“ and – as part of the joint convergence project being conducted with the US Financial Accounting Standards Board (FASB) – brings the Standard into line with the rules contained in US GAAP Statement of Financial Accounting Standards No. 131. IFRS 8, which is only mandatory for companies listed on a stock exchange, requires operating segments to be identified on the basis of internally used criteria (the “management approach”). MTU adopted IFRS 8 with effect from the beginning of 2009 which has resulted in changes in way that segment information is reported. Further details are provided in the section on group segment information and in note 32 of this report.

In September 2007, the IASB published a revised version of IAS 1 “Presentation of Financial Statements“ which is mandatory for annual periods beginning on or after January 1, 2009. The revised version of IAS 1 contains, amongst other things, changes in the presentation of non-owner changes in equity, the requirement in specific circumstances to present an opening statement of financial position for the earliest comparative period presented, new rules regarding the presentation of items recognized directly in equity (other comprehensive income) and new titles (recommended but not mandatory) for the various components of a full set of financial statements. The statement of changes in equity remains a separate component of the financial statements. Additional disclosures are, however, required on items recognized directly equity (the “two-statement approach”).

Changes in assumptions regarding adjustments to contributions to the Pensions-Sicherungs-Verein (pension insurance association in Germany) for the year 2009 have been accounted for with income statement effect.

Comparative figures have been restated where necessary for the revised Standards adopted on January 1, 2009.

5 Consolidated companies

In total, six German and six foreign subsidiaries are included in the consolidated financial statements of MTU Aero Engines Holding AG. Pratt & Whitney Canada Customer Service Centre Europe GmbH, Ludwigsfelde, is consolidated at equity, and MTU Maintenance Zhuhai Co. Ltd., Zhuhai, China, is consolidated proportionately. Two subsidiaries are not consolidated on the grounds of immateriality. There were no changes in the group reporting entity compared with December 31, 2008. With regard to the impact of the sale of assets and liabilities (a disposal group) at the level of MTU Aero Engines North America Inc., Newington, USA, reference is made is note 11.

Notes to the Consolidated Income Statement

6 Revenues

Revenues

in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Commercial engine business	570.2	530.9	285.6	265.6
Military engine business	231.9	227.2	117.7	113.1
Commercial and Military engine business (OEM)	**802.1**	**758.1**	**403.3**	**378.7**
Commercial maintenance business (MRO)	**589.0**	**513.0**	**286.6**	**254.7**
Other group segments/Eliminations	-15.1	-15.0	-7.0	-7.3
Total Revenues	**1,376.0**	**1,256.1**	**682.9**	**626.1**

7 Cost of sales

Cost of sales

in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Cost of materials	-886.3	-805.6	-433.7	-408.3
Personnel expenses	-191.2	-187.2	-110.8	-93.7
Depreciation and amortization	-55.2	-56.8	-27.7	-28.9
Other cost of sales*)	-26.6	13.4	-12.8	14.5
Total Cost of sales	**-1,159.3**	**-1,036.2**	**-585.0**	**-516.4**

*) relates primarily to the change in inventories on work in progress and to the impact of exchange rates.

8 Research and development expenses

Research and development expenses

in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Cost of materials	-18.6	-6.0	-5.7	-5.1
Personnel expenses	-31.3	-26.9	-15.6	-14.9
Depreciation and amortization	-3.2	-3.0	-1.4	-1.4
	-53.1	**-35.9**	**-22.7**	**-21.4**
Capitalized development costs (OEM)	3.5		1.8	
Capitalized development costs (MRO)	2.0	1.3	2.0	0.7
Total Research and development expenses	**-47.6**	**-34.6**	**-18.9**	**-20.7**

9 Selling expenses

Selling expenses

in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Cost of materials	-5.1	-4.8	-2.8	-2.6
Personnel expenses	-22.3	-22.6	-11.0	-12.2
Depreciation and amortization	-1.8	-1.2	-1.0	-0.6
Other selling expenses	-5.4	-5.5	-2.8	-1.2
Total Selling expenses	**-34.6**	**-34.1**	**-17.6**	**-16.6**

Selling expenses mainly comprise expenses for marketing, advertising and sales personnel, valuation allowances and write-downs on trade accounts receivable.

10 General administrative expenses

General administrative expenses

in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Cost of materials	-3.2	-2.3	-1.4	-1.1
Personnel expenses	-15.5	-13.2	-7.4	-5.6
Depreciation and amortization	-1.1	-1.1	-0.5	-0.6
Other administrative expenses	-2.0	-4.7	0.1	-2.2
Total General administrative expenses	**-21.8**	**-21.3**	**-9.2**	**-9.5**

General and administrative expenses relate to expenditure for administrative functions that are not allocated to development, production or selling.

11. Other operating income and expenses

In accordance with the Asset Purchase Agreement dated May 18, 2009, MTU sold a group of assets and related liabilities (disposal group) of MTU Aero Engines North America, Inc., Newington (USA).

The assets and liabilities sold comprised primarily property, plant an equipment, trade receivables, inventories, trade payables and other liabilities. The disposal group represents an operation of the OEM cash generating unit. For this reason, goodwill attributable to the operation sold (€1.3 million) was derecognized with income statement effect. In total the loss on disposal amounted to € 4.4 million. This loss is reported on the income statement line “Other operating income and expenses”.

12 Interest result

Interest result in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Interest income	**0.4**	**4.3**	**0.1**	**3.0**
Interest expenses				
Bank interest	-1.5	-2.7	-0.7	-1.3
Convertible bond	-3.8	-4.4	-1.9	-2.2
Finance lease interest expense	-0.9	-1.1	-0.4	-0.5
Interest expense attributable to non-consolidated companies	-0.1	-0.3	-0.1	-0.1
Other interest expenses	-0.3	-0.9		-0.4
Interest expenses	**-6.6**	**-9.4**	**-3.1**	**-4.5**
Interest result	**-6.2**	**-5.1**	**-3.0**	**-1.5**

Interest income for the six-month period decreased by € 3.9 million to € 0.4 million, while interest expenses fell by only € 2.8 million to € 6.6 million. As a result, the net interest expense increased by € 1.1 million to € 6.2 million.

13 Result from equity accounted investments

Result from equity accounted investments in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Result from equity accounted investments	-0.1	0.1	-0.5	-0.4
Result from equity accounted investments	**-0.1**	**0.1**	**-0.5**	**-0.4**

The result from equity accounted investments includes the change in value of the joint arrangement Pratt & Whitney Canada Customer Centre Europe GmbH, Ludwigsfelde.

14 Financial result on other items

Financial result on other items in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Effects of changes of foreign exchange rates				
Exchange rate gains/losses on currency holdings	-7.5	-4.5	-7.4	-0.3
Exchange rate gains/losses on financing transactions		1.7	-0.1	0.5
Exchange rate gains/losses on finance leases	-0.1	1.1	0.5	
Fair value gains/losses on derivatives				
Gains/losses on currency derivatives and interest rate derivatives	3.4	8.2	11.7	1.3
Gains/losses on forward commodity contracts	2.4	-2.4	4.8	-4.8
Results from other financial instruments	0.1	-0.5		0.2
Interest portion included in measurement of receivables, provisions, liabilities and advance payments from customers	-12.6	-10.5	-5.9	-5.2
Financial result on other items	**-14.3**	**-6.9**	**3.6**	**-8.3**

The change in financial result on other items for the six-month period was primarily attributable to higher exchange losses on currency holdings.

15 Income taxes

Income tax expense comprised the following:

Income taxes				
in € million	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008	Q 2 2009	Q 2 2008
Current tax expense	-56.3	-46.3	-37.8	-24.6
Deferred tax income/expense	18.4	6.2	11.9	6.3
Total Income taxes	**-37.9**	**-40.1**	**-25.9**	**-18.3**

16 Earnings per share

Potential ordinary shares that can be issued in conjunction with the convertible bond issued on February 1, 2007 had a diluting effect on earnings per share for the period from January 1 to June 30, 2009. By contrast, the Matching Stock Program (MSP) set up on June 6, 2005 did not have any diluting effect on earnings per share during the six-month period under report since the tranches still to be exercised were not “in the money” at the end of the reporting period. For the purposes of determining diluted earnings per share, the maximum number of shares that could be exercised in conjunction with conversion rights is added to the weighted average number of ordinary shares in circulation. All shares issued during the period under report are included on a weighted basis. In parallel, group earnings are adjusted by the amount of post-tax interest expense relating to the convertible bond.

The following tables show earnings per share as well as the dilutive impact of shares that could be issued in conjunction with the convertible bond and the Matching Stock Program.

Undiluted and diluted earnings per share for the six-month periods ended June 30, 2009 and 2008 were as follows:

Undiluted and diluted earnings per share for the quarter ended June 30, 2009

		Jan. 1 to June 30, 2009				Jan. 1 to June 30, 2009
		Undiluted earnings per share	Financial instruments reconciliation			Diluted earnings per share
			Interest expense convertible bond/ shares	Current and deferred taxes	Matching Stock Program/ shares	
Earnings after taxes (EAT)	in € million	55.7	3.8	-1.2		58.3
Weighted average number of outstanding shares	shares	48,796,109	3,086,869		0	51,882,978
Earnings per share	**in €**	**1.14**				**1.12**

Undiluted and diluted earnings per share for the quarter ended June 30, 2008

		Jan. 1 to June 30, 2008				Jan. 1 to June 30, 2008
		Undiluted earnings per share	Financial instruments reconciliation			Diluted earnings per share
			Interest expense convertible bond/ shares	Current and deferred taxes	Matching Stock Program/ shares	
Earnings after taxes (EAT)	in € million	80.4	4.4	-1.4		83.4
Weighted average number of outstanding shares	shares	49,822,498	3,636,364		0	53,458,862
Earnings per share	**in €**	**1.61**				**1.56**

17 Group comprehensive income

In the statement of group comprehensive income, the net profit (earnings after taxes) of € 55.7 million (January - June 2008: € 80.4 million) is reconciled to the comprehensive income for the period of € 60.9 million (January - June 2008: € 76.3 million). The difference relates to fair value gains on derivative financial instruments (net of tax) amounting to € 9.7 million (January - June 2008: fair value losses of € 3.5 million) and to net negative differences arising on the translation of the financial statements of consolidated group companies amounting to € 4.5 million (January - June 2008: net negative differences of € 0.6 million).

Notes to the consolidated statement of financial position

18 Intangible assets

Intangible assets comprise program/product values and program-independent technologies recognized in conjunction with the purchase price allocation, participations in development programs, technical software and purchased goodwill.

During the first six months of 2009, expenditure on intangible assets totalling € 8.0 million (January - June 2008: € 1.7 million) was capitalized. The increase related primarily to development work carried out on the GE38 engine program for the Sikorsky CH-53K heavy-lift helicopter. For further details, please refer to note 2 “Research and development”.

The amortization expense for the six-month period amounted to € 24.3 million (January - June 2008: € 24.1 million).

19 Property, plant and equipment

Capital expenditure on property, plant and equipment during the period from January 1 to June 30, 2009 amounted to € 51.6 million. Additions related mainly to plant and machinery and specialized equipment at the level of MTU Aero Engines GmbH, Munich, the purchase of a PW2000 engine at the level of MTU Maintenance Hannover GmbH, Langenhagen, as well as acquisition costs relating to expansion of the site in Poland. The depreciation expense for the six-month period amounted to € 37.0 million.

20 Financial assets

Financial assets decreased by € 0.5 million during the first half of 2009 to stand at € 19.7 million (December 31, 2008: € 20.2 million). The decrease was mainly attributable to the fair value measurement of derivative financial instruments.

21 Inventories

Inventories comprise the following:

Inventories

in € million	June 30, 2009	Dec. 31, 2008
Raw materials and supplies	324.4	311.5
Work in progress	302.4	322.2
Advance payments	30.4	27.7
Total Inventories	**657.2**	**661.4**

22 Trade receivables

Trade receivables comprise the following:

Trade receivables

in € million	June 30, 2009	Dec. 31, 2008
Third parties	337.1	415.9
Associated companies	40.3	41.5
Joint ventures	1.9	3.0
Total Trade receivables	**379.3**	**460.4**

23 Contract production receivables

Contract production receivables comprise the following:

Contract production receivables

in € million	June 30, 2009	Dec. 31, 2008
Contract production receivables	458.6	386.2
of which relating to:		
Advance payments from customers	-270.3	-247.3
Net contract production receivables	**188.3**	**138.9**

24 Other assets

Other assets comprise:

Other assets

	June 30, 2009			Dec. 31, 2008		
in € million	Current	Non-current	Total	Current	Non-current	Total
Other taxes	7.3		7.3	26.6		26.6
Receivables from employees	6.8		6.8	0.5		0.5
Receivables from suppliers	5.7		5.7	4.3		4.3
Sundry other assets	5.1	5.8	10.9	4.2	4.0	8.2
Total Other assets	**24.9**	**5.8**	**30.7**	**35.6**	**4.0**	**39.6**

Other taxes relate primarily to value added tax receivables.

25 Equity

Changes in equity are presented in the Consolidated Statement of Changes in Equity and in the Consolidated Statement of Comprehensive Income.

25.1 Subscribed capital

The Company's share capital is unchanged at € 52.0 million (December 31, 2008: € 52.0 million) and is divided into 52.0 million non-par-value shares (December 31, 2008: 52.0 million shares).

25.2 Capital reserves

Capital reserves includes premiums arising on the issue of shares, the equity component (and proportionate transaction costs) of the convertible bond, the fair values recorded for the Matching Stock Program (MSP) and the expense incurred transferring treasury shares to employees in conjunction with the Employee Stock Program (MAP).

Matching Stock Program (MSP)

In order to strengthen its ability to achieve business targets, the Group created the Matching Stock Program (MSP) as a long-term remuneration instrument – with both incentive and risk character – to involve management in the ownership of the company. The MSP entitles qualifying individuals to subscribe to so-called "Phantom Stocks". Participants in MSP must be in a non-terminated service or employment relationship with MTU Aero Engines Holding AG or one of its German subsidiaries at the date of subscription to such shares. The fair value of the Phantom Stocks is recognized on a time-apportioned basis as personnel expense and, at the same time, within equity (capital reserves) until the exercise date (vesting date). The total expense, recognized over the period until the Phantom Stocks are exercised, is determined on the basis of the fair value of the Phantom Stocks granted. The expense for the six-month period under report was € 1.6 million (January - June 2008: € 0.4 million).

Employee Stock Program (MAP)

The Board of Management of MTU Aero Engines Holding AG (MTU) set up a new Employee Stock Program ("MAP") for group employees during the second quarter 2009 which is to run for two years until June 2011. All tariff and non-tariff group employees working, paid and employed in Germany are entitled to join the scheme. The purchase price for registered shares of MTU Aero Engines Holding AG is based on the lowest price quoted on April 17, 2009 (acquisition date) and was thus € 21.80 per share. Under the terms of the MAP Employee Stock Program, MTU grants a so-called "match" to each MAP participant at the end of a two year vesting period. In other words, at the end of the program term, each MAP participant receives a taxable money amount equivalent to 50 % of the amount invested in MTU shares at the beginning of the program.

The amount received for the match constitutes remuneration which is subject to income tax and social security. Instead of taking the net payment, the MAP participant can also opt to convert the net match amount into MTU shares. In this case, the purchase price is based on the share price of MTU stock as determined by the final auction of the XETRA trading system on the first stock market day after expiry of the vesting period.

Employees acquired 150,982 MTU shares at a price of € 21.80 per share in conjunction with the MAP. The shares issued to employees were measured using the FIFO (first-in-first-out) method. The total cost of the shares was € 6.7 million, with an average cost of € 44.62 per share. Proceeds from the sale of shares to employees amounted to € 3.3 million. Capital reserves were therefore reduced by the difference of € 3.4 million (June 30, 2008: € 3.3 million).

25.3 Revenues reserves

Revenue reserves include the retained earnings of consolidated group companies as well as earnings after taxes (EAT) for the six-month period under report amounting to € 55.7 million (January - June 2008: € 80.4 million) less the dividend payment for the financial year 2008 amounting to € 45.4 million (January - June 2008: € 46.3 million). Revenue reserves increased by € 10.3 million during the six-month period under report (January - June 2008: € 34.1 million), primarily as a result of the positive earnings after taxes (EAT) for the period.

25.4 Treasury shares

Acquisition of treasury shares based on authorizations given at Annual General Meetings

The following table shows the number of treasury shares bought back and issued to employees under employee participation programs as well as the number of treasury shares and the issued share capital at the end of the reporting period.

Analysis of changes in shares and subscribed capital

in numbers of shares	Number of shares bought back	Shares issued to employees	Number of treasury shares held	Change in subscribed capital
Subscribed capital				**55,000,000**
Changes:				
Financial year 2006	-1,650,883		-1,650,883	
Financial year 2007				
Share buy-back	-2,732,139		-2,732,139	
Matching Stock Program (MSP)/June 2007		112,612	112,612	
Financial year 2008 (Jan. 1 to March 18, 2008)	-986,641		-986,641	
	-5,369,663	112,612	-5,257,051	
Capital reduction by cancellation of shares (on March 18, 2008)			3,000,000	-3,000,000
Status after capital reduction (March 18, 2008)	**-5,369,663**	**112,612**	**-2,257,051**	**52,000,000**
Financial year 2008 (March 19, 2008 - December 31, 2008)				
Share buy-back (from May 2 to December 31, 2008)	-1,164,963		-1,164,963	
Employee Stock Program (MAP)/June 2008		192,959	192,959	
Financial year 2009 (January 1, 2009 - June 30, 2009)				
Employee Stock Program (MAP)/June 2009		150,982	150,982	
Share buy-back/Employee shares Treasury shares and subscribed capital (at June 30, 2009)	**-6,534,626**	**456,553**	**-3,078,073**	**52,000,000**

Reconciliation of weighted average number of shares with the actual number of shares in circulation

As a result of the treasury shares bought-back by June 30, 2009, the issue of shares to group employees in conjunction with the exercise of the first tranche of the Matching Stock Program (MSP) in the financial year 2007 and the Employee Stock Program (MAP) in the financial years 2007 and 2008 as well as the share capital reduction carried out on March 18, 2008 by cancellation of shares, the weighted average number of shares in circulation during the first half of 2009 was 48,796,109 shares (January - June 2008: 49,822,498 shares). At June 30, 2009, a total of 48,921,927 MTU Aero Engines Holding AG shares was in issue (June 30, 2008: 49,386,394 shares).

The following table shows how the number of bought back shares, the month-end number of treasury shares and the weighted average number of shares in circulation have changed:

Reconciliation of weighted average number of shares with the actual number of shares in circulation

	2009			2008		
Number of shares	Balance at beginning of month	Buyback Exercise MSP Cancellation MAP	Balance at end of month	Balance at beginning of month	Buyback Exercise MSP Cancellation	Balance at end of month
Balance at January 1	**48,770,945**	**-3,229,055**		50,729,590	-4,270,410	
January	48,770,945		48,770,945	50,729,590	-337,168	50,392,422
February	48,770,945		48,770,945	50,392,422	-237,796	50,154,626
March	48,770,945		48,770,945	50,154,626	-411,677	49,742,949
April	48,770,945		48,770,945	49,742,949		49,742,949
May	48,770,945		48,770,945	49,742,949	-227,303	49,515,646
June	48,770,945		48,770,945	49,515,646	-322,211	49,193,435
June (exercise for MAP)	48,770,945	150,982	48,921,927	49,193,435	192,959	49,386,394
Share buyback/exercise of MSP*)/MAP*)		**-3,078,073**			**-5,613,606**	
Shares cancelled					**3,000,000**	
Treasury shares (June 30)		**-3,078,073**			**-2,613,606**	
Weighted average June 30			**48,796,109**			**49,822,498**

*) including the issue of 112,612 shares to employees in conjunction with the Matching Stock Program (MSP) in June 2007 and the issue of 192,959 shares in June 2008 and 150,982 shares in June 2009 to group employees in conjunction with the Employee Stock Program (MAP).

25.5 Other comprehensive income

Other comprehensive income consists of all amounts recognized directly in equity resulting from the translation of the financial statements of foreign subsidiaries and the effects of recognizing changes in the fair value of financial instruments directly in equity (where the conditions for hedge accounting are met), net of related deferred income taxes.

26 Other provisions

Other provisions comprise primarily personnel-related obligations, pending losses on onerous contracts and warranties. As in the past, obligations arising from contingent liabilities are measured on the basis of periods of between nine and fifteen years. Provisions for pending losses on onerous contracts relate to risks concerning the order backlog for Military engine business and Commercial MRO business.

27 Financial liabilities

All derivative and non-derivative financial obligations of group entities at the end of each relevant reporting period are presented as financial liabilities. Financial liabilities comprise the following:

Financial liabilities

	Current		Non-Current					
	Due within one year		Due in more than one and less than 5 years		Due in more than 5 years		Total	Total
in € million	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008
Bonds								
Convertible bond*)	143.0	141.5					143.0	141.5
Interest liability on convertible bond	2.0	3.9					2.0	3.9
Liabilities to banks								
Revolving Credit Facility (RCF)	18.2	61.2					18.2	61.2
Promissory notes	0.3		64.6				64.9	
Other liabilities to banks	7.1	11.6	9.6	9.7			16.7	21.3
Liabilities to related companies)**	2.7						2.7	
Other financial liabilities								
Finance lease liabilities	4.7	8.3	9.8	8.3	16.7	17.4	31.2	34.0
Retrospective purchase price adjustment	15.0	15.0					15.0	15.0
Loan from the province of British Columbia to MTU Maintenance Canada	11.9	11.1					11.9	11.1
Derivative financial liabilities	15.5	24.9	4.3	23.5			19.8	48.4
Total Financial liabilities	**220.4**	**277.5**	**88.3**	**41.5**	**16.7**	**17.4**	**325.4**	**336.4**

*) Term to 2012. Reported as current liability due to conversion option.

**) MTU Versicherungsvermittlung- und Wirtschaftsdienst GmbH, Munich, which is not consolidated on the grounds of immateriality.

Revolving Credit Facility (RCF)

The currency used to finance the group is the Euro. This relates mainly to loans, a convertible bond issue and bank overdrafts (Revolving Credit Facility). As part of this facility, an overdraft facility of € 250.0 million is in place with a consortium of banks. Out of this credit facility, direct credit agreements – each amounting to € 40.0 million – have been agreed directly with three banks (ancillary facilities).

As at June 30, 2009, the group has drawn down an amount of € 18.2 million (December 31, 2008: € 61.2 million) out of these bilateral credit facilities totalling € 120.0 million. Of the remaining credit facilities totalling € 231.8 million, a further € 17.6 million (December 31, 2008: € 16.9 million) are being utilized at June 30, 2009 for guarantees. Interest on credit lines actually drawn down is charged on the basis of customary interest reference rates plus a margin. A small commitment fee is paid on credit facilities which are not being utilized.

Promissory notes

On June 3, 2009, MTU placed four promissory notes with a total nominal volume of € 65.0 million. The promissory notes, which help to diversify group financing further, are payable in full on the following maturity dates:

Promissory notes

Maturity	Note amount (nominal) in € million	Interest rate
5.6.2012	1.5	fixed
5.6.2014	11.5	fixed
5.6.2012	27.0	variable*)
5.6.2014	25.0	variable*)
	65.0	

*) 6-month Euribor rate plus margin

The cash inflow from the promissory notes was partially used to reduce bank liabilities under the Revolving Credit Facility (RCF). The promissory notes were measured initially at their fair value (which corresponds to nominal amount) net of transaction costs amounting to € 0.4 million. At subsequent reporting dates, they are measured at amortized cost.

Convertible bond

MTU Aero Engines Finance B.V., Amsterdam, Netherlands, has issued a convertible bond during the financial year 2007 with a total volume of € 180.0 million (divided into 1,800 partial bonds). In September and October 2008, MTU bought back convertible bonds (before their maturity date) with a nominal volume of € 27.2 million. Further information is provided in the Annual Report 2008 (note 34). The security has a par value of € 100,000 per bond and a term to maturity of five years. The bonds can be converted into registered common shares of the company corresponding to a proportionate amount (€ 1 per share) of the company's total share capital. The bonds are entitled to receive profits from the beginning of the financial year in which they are issued and the subscription rights of existing shareholders are excluded.

At a conversion price of € 49.50, the conversion ratio at issue date was 2,020.20. The coupon rate is fixed at 2.75 %, payable yearly on February 1. The issuing company is Amsterdam-based MTU Aero Engines Finance B.V. which is wholly owned by MTU Aero Engines Holding AG.

The present value of the future contractually agreed cash flows under the Convertible Bonds Underwriting Agreement dated January 23, 2007 has been discounted using a market interest rate i.e. the rate the company would have had to pay if it had issued a non-convertible bond. The interest expense that will be recognized over the term of the convertible loan results from unwinding the obligation using the market interest (5.425 %) used to determine its present value.

28 Contract production liabilities

Contract production liabilities comprise the following:

Contract production liabilities

	Current		Non-Current					
	Due within one year		Due in more than one and less than 5 years		Due in more than 5 years		Total	Total
in € million	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008
Advance payments received for contract production	359.0	356.0	478.2	411.9			837.2	767.9
of which relating to:								
Contract production receivables	-121.3	-108.4	-149.0	-138.9			-270.3	-247.3
Total Contract production liabilities	**237.7**	**247.6**	**329.2**	**273.0**			**566.9**	**520.6**

The increase in advance payments received for contract production related primarily to the EJ200 engine program for Saudi Arabia.

29 Other liabilities

Other liabilities comprise the following:

Other liabilities

	Current		Non-Current					
	Due within one year		Due in more than one and less than 5 years		Due in more than 5 years		Total	Total
in € million	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008
Other taxes	14.2	16.5					14.2	16.5
Social security	0.8	1.8					0.8	1.8
Employees	51.5	40.6	3.9	3.3	0.5	0.5	55.9	44.4
Accrued interest expense			14.7	14.7			14.7	14.7
Sundry other liabilities	17.4	18.3	9.3	8.0	2.2	2.1	28.9	28.4
Total Other liabilities	**83.9**	**77.2**	**27.9**	**26.0**	**2.7**	**2.6**	**114.5**	**105.8**

Other taxes and social security liabilities

Other taxes relate primarily to payroll (including employees' solidarity surcharge) and church taxes. Social security liabilities relate mainly to contributions to employees' accident insurance associations and liabilities to health insurance agencies.

Employees

Liabilities to employees comprise holiday entitlements, flexi-time credits, obligations relating to pre-retirement part-time working arrangements as well as obligations resulting from earlier efficiency improvement programs. Obligations for profit-shares and bonuses, for specific liabilities relating to pre-retirement part-time working arrangements, for long-service awards and for structural measures taken in conjunction with the introduction of the ERA (Entgelt Rahmenabkommen – Framework Agreement on Pay) are included in other provisions.

Deferred interest

Non-current payments received on account from customers for contract production are discounted over the term of the advance payments using appropriate market interest rates. The interest expense is recognized as a liability within other liabilities until the engine is delivered. The interest expense relates to advance payments for long-term military contract production as well as payments on account relating to long-term commercial engine programs.

Sundry other liabilities

Sundry other liabilities relate mainly to liabilities relating to the maintenance of engines made available to airlines on a temporary basis (as part of commercial MRO activities) while the airlines' own engines are being maintained or repaired. In addition, this line item includes numerous smaller individual obligations.

30 Deferred taxes

Deferred taxes in € million	June 30, 2009	Dec. 31, 2008
Deferred tax liabilities	215.4	227.6
Total Deferred tax liabilities	**215.4**	**227.6**

31 Related party transactions

Transactions with related entities

Proportionately consolidated entities

MTU does business with MTU Maintenance Zhuhai Co. Ltd., China, as part of its ordinary operating activities, buying and selling products and services on an arm's length basis. Trade receivables at June 30, 2009 amounted to € 1.1 million, while trade payables amounted to € 6.3 million. Income recognized during the six-month period under report amounted to € 0.7 million, with expenses totalling € 16.3 million.

Entities accounted for at equity and at cost

MTU does business with entities that are accounted for at equity and at cost as part of its ordinary operating activities, buying and selling products and services on an arm's length basis. Entities accounted for at equity and at cost are disclosed in note 45.1.2. (Major Shareholdings) of the Annual Report for the year ended December 31, 2008. There have been no changes since that date. Trade receivables at June 30, 2009 amounted to € 42.2 million. Trade payables amounted to € 68.4 million. Income recognized during the six-month period under report amounted to € 429.3 million with expenses totalling € 262.8 million.

Transactions with related individuals

MTU Group companies did not enter into any contracts with members of the Board of Management, the Supervisory Board or with other key management personnel or with companies in whose management or supervisory boards those persons are represented. The same applies to close members of the families of those persons.

32 Contingent liabilities and other financial commitments

Contingent liabilities and other financial obligations at June 30, 2009 have not changed significantly compared with the situation at the end of 2008. Information regarding the composition and nature of contingent liabilities and other financial obligations is provided in the Annual Report 2008 (note 43).

33 Explanatory notes to operating segments

MTU adopted IFRS 8 "Operating Segments" with effect from January 1, 2009 and has restated prior year figures accordingly. IFRS 8 replaces IAS 14 "Segment Reporting" and applies the "management approach" to segment reporting. Under this approach, information on operating segments is presented on the basis of an entity's internal organizational and management structure. This is required to be based on information reported to the entity's "chief operating decision maker" which in MTU's case is the Board of Management.

Previously MTU had identified two reportable segments which were organized and managed separately according to the nature of their products and services, production processes, sales channels and customer profiles. Managers with responsibility for segment performance report directly to the Board of Management.

As a change from IAS 14, non-operating segments which are not classified as reportable segments pursuant to IFRS 8 are aggregated and presented as "Other Entities" . As a result of the application of IFRS 8, the activities of MTU Aero Engines Holding AG, Munich, and MTU Aero Engines Finance B.V., Amsterdam, have therefore been identified as a third segment. Up to December 31, 2008, the business processes of these two holding companies were dealt with in the "Consolidation/reconciliation" column.

The group's Commercial and Military Engine (OEM) segment develops, manufactures, assembles and sells commercial and military engines and components. This operating segment also performs repair and maintenance work for military engines.

The group's Commercial Maintenance (MRO) segment overhauls and repairs commercial aircraft engines. As well as providing complete engine maintenance services, this operating segment also overhauls engine modules and carries out specialized repair work. In addition to aircraft engines, the group's commercial engine entities also perform repair and maintain services for industrial gas turbines.

Inter-segment transactions are eliminated in the "Consolidation/reconciliation" column. MTU's internal management and reporting complies with the principles of financial reporting in accordance with IFRS.

MTU measures segment performance primarily at the level of earnings before interest and taxes (EBIT). Inter-segment transfer prices are determined on the basis of arm's length terms and conditions.

Capital expenditure and depreciation/amortization relate to intangible assets and property, plant and equipment with finite useful lives. Segment assets and liabilities comprise in principle all assets and liabilities of the group, whereby items relating to more than one segment are eliminated in the "Consolidation/reconciliation" column.

34 Events after the end of the reporting period (June 30, 2009)

There have been no significant events after the end of the interim reporting period (June 30, 2009) and prior to the date of authorization for issue of the Half-Yearly Financial Report on July 21, 2009.

Acquisition of an investment (MEPC)

An agreement was signed on July 16, 2008 with United Technologies International Corporation, East Hartford, USA, relating to the proposed acquisition of shares in Middle East Propulsion Company (MEPC) based in the Kingdom of Saudi Arabia. The Share Purchase Agreement was amended on December 16, 2008 in order to clarify the details of pre-emption rights. Under the terms of the agreement, MTU Aero Engines GmbH, Munich, will acquire 125,450 shares with a par value of SA 12,545,000 (Saudi riyals), corresponding to a 19.3 % investment in the Saudi company's capital. In addition to MTU Aero Engines GmbH, Munich, the companies United Technologies International, Delaware (USA), Saudi Arabian Airlines (Saudi Arabia), Shomoukh Al Hemman for Communication and Information (Saudi Arabia) and Wamar International, Inc., California (USA) will also take a stake in MEPC.

The original planned transfer of shares prior to the end of April 2009 has been postponed. It is now planned – subject to the regulatory approval process in Saudi Arabia, that it will take place after the closing – probably during the third quarter of 2009. MTU does not have any shareholder or other controlling rights until such time that the shares are transferred.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit of the group, and the interim group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Munich, July 21, 2009

Egon Behle

Chairman of the Board of Management

Dr. Rainer Martens

Member of the Board of Management Technology

Dr. Stefan Weingartner

Member of the Board of Management Commercial Maintenance

Reiner Winkler

Member of the Board of Management Finance and Human Resources

Review Report

To MTU Aero Engines Holding AG, Munich

We have reviewed the condensed interim consolidated financial statements of MTU Aero Engines Holding AG, Munich, comprising consolidated income statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement, consolidated segment information and selected explanatory notes, together with the interim group management report for the period from January 1 to June 30, 2009 that are part of the semi-annual financial report pursuant to Article 37w WpHG (Wertpapierhandelsgesetz : German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS (International Financial Reporting Standards) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the company's Board of Management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG (German Securities Trading Act) applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG (German Securities Trading Act) applicable to interim group management reports.

Munich, July 22, 2009

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Plendl	Dr. Reitmayr
German Public Auditor	German Public Auditor

Financial Calendar

2009 conference with analysts and investors	**September 25, 2009**
Teleconference on third quarter 2009 earnings	**October 26, 2009**

Investor Relations
Telephone +49 (0) 89-1489-8313
Telephone +49 (0) 89-1489-3911
Telefax +49 (0) 89-1489-95062
E-Mail **Inka.Koljonen@mtu.de**
Claudia.Heinle@mtu.de

Translation

The German version takes precedence.

MTU Aero Engines Holding AG on the Internet

- Further information about MTU Aero Engines Holding AG can be obtained via the Internet at: **www.mtu.de**

- Investor Relations information is available directly at **http://www.mtu.de/de/investorrelations/latest_news/index.html**

- Information about MTU Aero Engines Holding AG's can be obtained at: **www.mtu.de/de/products_services/new_business_commercial/index.html**

Disclaimer

This report contains forward-looking assertions which reflect the current view of the management of MTU with regard to future events. Those disclosures are characterized by terms such as “expect“, “is likely that“, “assume“, “intend“, “estimate“, “aim“, “set as target“, “forecast”, “outlook“ and similar phrases and generally include information relating to expectations or targets for revenues, (adjusted) EBIT or EBITDA or other performance measures. Forward-looking assertions are based on the latest forecasts, assessments and expectations. Such information should therefore be carefully considered. Assertions of this kind are subject to risk factors and uncertainties which are often difficult to assess and which are generally not within the control of MTU. Such factors may unfavorably affect revenues and expenses. If these or other risk factors and uncertainties do in fact materialize, or if the assumption on which assertions are based turn out to incorrect, MTU’s actual earnings may vary from those contained in, or implied by, these assertions. MTU cannot guarantee that expectations or targets will be met. MTU does not accept any responsibility for up-dating future-looking assertions by taking account of any new information or future events or other matters.

In addition to IFRS-based key figures, MTU also disclosures some non-GAAP key performance indicators (e. g. EBIT, EBIT margin, EBITDA, EBITDA margin, (where applicable EBIT adjusted, EBIT margin adjusted, EBITDA adjusted, EBITDA margin adjusted), free cash flow and gross/net financial liabilities) which are not covered by financial reporting standards. These key performance indicators should be seen as supplementary information and not a replacement for disclosures made in accordance with IFRS. Non-GAAP key performance indicators are not covered by IFRS or any other generally accepted set of financial reporting rules. Other entities may, under circumstances, use different definitions for these items.

MTU Aero Engines Holding AG
Dachauer Straße 665
80995 Munich • Germany
Tel. +49 89 1489-0
Fax +49 89 1489-5500
www.mtu.de