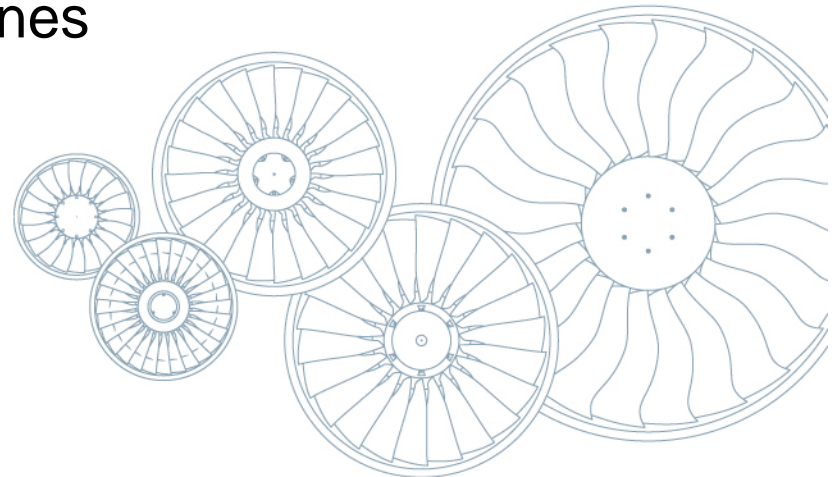




9M 2010 Results – MTU Aero Engines

Conference Call with Investors and Analysts

October 26, 2010



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2. Divisional Performance

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Key Business Issues 9M 2010 I/II

Market environment

- Market trends in commercial aerospace remain strongly supportive
- Latest air traffic numbers indicate (Aug 10) a yoy increase of 6.4% for passenger and 19.6% for cargo – capacity growth and park rates are improving
- IATA upgraded the 2010 outlook for passenger traffic to 7.7% and cargo to 19.8%
- New aircraft orders remain high, driving upswing in deliveries

Commercial OEM Business

- Spare parts show moderate improvement, trend continues into Q4
- Series sales continue to increase, ramping up of GEnX and GP7000 programs will drive strong growth into 2011
- Decision about A320 re-engining moved towards year-end 2010 by Airbus/EADS

Commercial MRO Business

- Commercial MRO business trends similar to spare parts
- For Q4 further improvement expected

Key Business Issues 9M 2010 II/II

Military Business

- Potential defense budget cuts mainly a risk for maintenance of old engine programs
- Ramping up of TP400 and US programs will provide future growth

Cost savings

- Challenge 2010 program on track to meet target of 30 m€ savings in 2010

US\$ / Hedging

- High volatility in US\$ exchange rate confirms neutral currency view, no change in hedging strategy

9M 2010 Financial Highlights

Order Backlog • Group Order Backlog increased by 2% to 4,245.7 m€

Revenues • Group Revenues increased by 2% to 1,992 m€

EBIT adj. • Group EBIT adj. increased by 7% to 226 m€
• Increase in margin to 11.3%

Cash Flow • Free Cash Flow at 143 m€

**Net Income/
EPS** • Net Income increased by 7% to 99.6 m€ (EPS 2.04 €)

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OEM Segment

	31.12.2009	30.09.2010	Change
Order backlog in m€	3,965.1	4,066.5	3%
Commercial Business in m\$	3,662.3	3,881.9	6%
Military Business in m€	1,422.9	1,222.2	-14%

in m€	9M 2009	9M 2010	Change
Revenues	1,157.6	1,199.9	4%
Commercial Business	790.9	821.6	4%
Military Business	366.7	378.3	3%
Gross profit	234.6	265.2	13%
<i>Gross profit margin</i>	<i>20.3%</i>	<i>22.1%</i>	
R&D self-financed	70.2	95.4	36%

EBIT adj.	158.2	165.9	5%
<i>EBIT adj. margin</i>	<i>13.7%</i>	<i>13.8%</i>	

Order Backlog

- Commercial Business US\$ backlog increased by 6% driven by new orders for V2500 and GTF engine.

Revenues

- Adjusted for US\$ effects Commercial OEM remained stable.
- Underlying series increased at a mid to high single digit rate. Spares broadly flat.

EBIT

- Margin remained stable at 13.8%
- Negative commercial mix effects compensated by cost savings and military.

MRO Segment

in mUS\$	01.1.2010	30.09.2010	Change
Contract Volume MRO (in mUS\$)	6,759.6	6,227.1	-8%
Order backlog (in mUS\$)	267.7	247,3	-8%

Contract Volume

- Decreased by 8% as a result of contract execution

in m€	9M 2009	9M 2010	Change
Revenues	821.2	814.4	-1%
Gross profit	91.3	104.9	15%
<i>Gross profit margin</i>	<i>11.1%</i>	<i>12.9%</i>	
R&D self-financed	9.8	8.4	-14%
EBIT adj.	55.6	58.8	6%
<i>EBIT adj. margin</i>	<i>6.8%</i>	<i>7.2%</i>	

Revenues

- Adjusted for US\$ effects revenues decreased by 4%.

EBIT

- Margin increased to 7.2%.

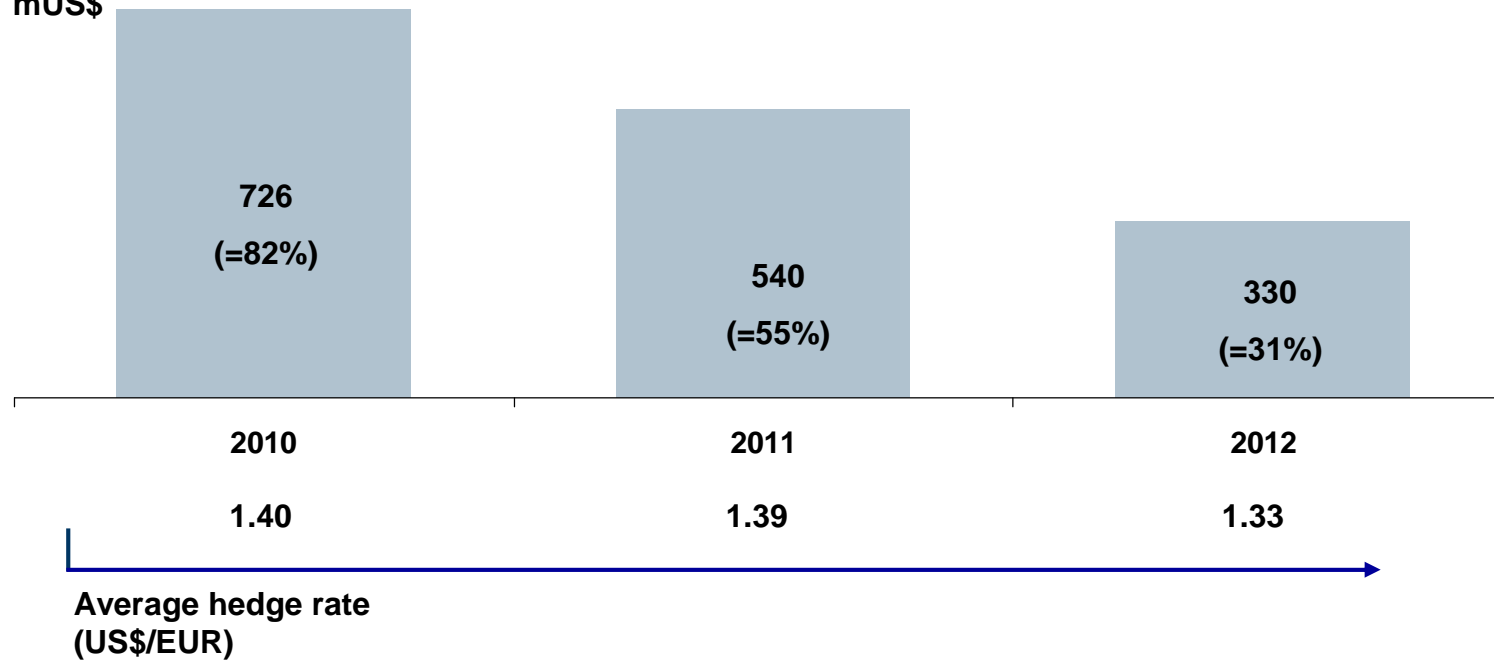
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US\$ Exchange Rate / Hedge Portfolio

Hedge book as of October 26, 2010 (% of net exposure)

mUS\$



Hedge Cover 2013-2015:

5-6% (70-80 mUS\$) each year at an average hedge rate of 1.27 US\$/€

Financial Result

in m€	9M 2009	9M 2010	Change
Profit/loss from at equity accounted companies	-0.5	-0.7	
Interest result	-9.8	-8.4	14%
Interest income	0.8	4.5	
Interest payments	-10.6	-12.9	
Other financial result	-21.2	-33.0	56%
Gains/losses out of US\$ cash/financing/ capital lease valuations; Interest portion in contingent liabilities/provisions, others	-11.8	-9.8	
Non cash valuations	9.4	-7.2	
Interests for pension provisions	-18.8	-16.0	
Total financial result	-31.5	-42.1	-34%

Net Income and EPS

in m€	9M 2009	9M 2010	Change
EBIT adj.	210.8	226.1	7%
EBIT adj. margin	10.8%	11.3%	
PPA Depreciation	-34.3	-32.6	
EBIT reported	176.5	193.5	10%
Financial Result	-31.5	-42.1	
EBT	145.0	151.4	4%
Income taxes	-51.6	-51.8	
Net Income reported	93.4	99.6	7%
EPS in €	1.91	2.04	
Avg. weighted number of outstanding shares	48.8	48.9	

Cash Flow

in m€	9M 2009	9M 2010	Change
Cash Flow from operating activities	179.8	207.1	15%
Cash Flow from investing activities	-84.1	-167.6 *)	
<i>Short term financial securities</i>		103.5	
Free Cash Flow	95.7	143.0	49%
- Short term financial securities		-103.5	
Cash Flow from financing activities	-55.8	-73.7	
Effect of exchange rate on cash and cash equivalents	-4.0	1.9	
Change in cash and cash equivalents	35.9	-32.3	
Liquidity June, 30	105.8	88.5	

*) Cash flow from investing w/o short term financial securities: 64.1m€

Net Financial Debt

in m€	31.12.2009	30.09.2010	Change	Change in %
Convertible bond (incl. interests)	148.9	150.5		
Revolving Credit Facility	0.0	0.0		
Promissory notes (Schuldscheindarlehen)	65.4	35.4		
Other Bank credits	14.6	25.6		
Financial liabilities to related companies		1.6		
Finance lease liabilities	25.8	25.1		
Loan British Columbia to MTU Maintenance Canada	12.9	13.9		
Derivative financial liabilities	12.2	19.6		
Financial liabilities	279.8	271.7	8.1	
Cash and cash equivalents	120.8	88.5		
Short term financial securities		108.9		
Derivative financial assets	16.6	26.8		
Financial assets	137.4	224.2	86.8	
Net financial debt	142.4	47.5	94.9	67%

Guidance 2010 confirmed

in m€	FY 2009	Guidance 2010
Revenues	2.611	~2.750
EBIT adj.	292	~310
EBIT adj. margin	11.2%	stable
Free Cash Flow	120	~120
Net income	141	stable

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Profit & Loss

In m€	Q3 2009	Q3 2010	change	9M 2009	9M 2010	Change
Revenues	578.9	643.5	11%	1,954.9	1,992.3	2%
Total cost of sales	-469.4	-514.5	-10%	-1,628.7	-1,618.2	1%
Gross Profit	109.5	129.0	18%	326.2	374.1	15%
<i>Gross Profit margin</i>	18.9%	20.0%		16.7%	18.8%	
R & D company funded (acc. P&L)	-23.9	-29.7		-71.5	-90.4	
SG&A	-27.7	-28.8		-84.1	-92.7	
Other operating income (expense)	4.4	0.8		5.9	2.5	
EBIT reported	62.3	71.3	14%	176.5	193.5	10%
EBIT adjusted	73.7	82.0	11%	210.8	226.1	7%
Financial result	-10.9	-6.8		-31.5	-42.1	
Profit before tax (EBT)	51.4	64.5	25%	145.0	151.4	4%
Taxes	-13.7	-25.5		-51.6	-51.8	
Net income	37.7	39.0	3%	93.4	99.6	7%
EPS	0.77	0.80		1.91	2.04	

Revenues / Cost of Sales / Gross Profit

in m€	Q3 2009	Q3 2010	Change	9M 2009	9M 2010	Change
Revenues	578.9	643.5	11%	1,954.9	1,992.3	2%
OEM Commercial	220.7	251.9	14%	790.9	821.6	4%
OEM Military	134.8	129.0	-4%	366.7	378.3	3%
MRO	232.2	270.4	16%	821.2	814.4	-1%
Consolidation	-8.8	-7.8		-23.9	-22.0	
Cost of Sales	-469.4	-514.5	-10%	-1,628.7	-1,618.2	1%
OEM (Commercial / Military)	-273.2	-290.1	-6%	-923.0	-934.7	-1%
MRO	-204.1	-233.6	-14%	-729.9	-709.5	3%
Consolidation	7.9	9.2		24.2	26.0	
Gross Profit	109.5	129.0	18%	326.2	374.1	15%
OEM (Commercial / Military)	82.3	90.8	10%	234.6	265.2	13%
MRO	28.1	36.8	31%	91.3	104.9	15%
Consolidation	-0.9	1.4		0.3	4.0	

EBIT reported / adjusted

in m€	Q3 2009	Q3 2010	Change	9M 2009	9M 2010	Change
EBIT reported	62.3	71.3	14%	176.5	193.5	10%
OEM (Commercial / Military)	49.6	53.1	7%	127.5	136.3	7%
MRO	14.5	18.7	29%	52.0	55.8	7%
Consolidation	-1.8	-0.5		-3.0	1.4	
EBIT adjusted	73.7	82.0	11%	210.8	226.1	7%
OEM (Commercial / Military)	59.8	62.9	5%	158.2	165.9	5%
MRO	15.7	19.6	25%	55.6	58.8	6%
Consolidation	-1.8	-0.5		-3.0	1.4	
EBIT adjusted margin	12.7%	12.7%		10.8%	11.3%	
OEM (Commercial / Military)	16.8%	16.5%		13.7%	13.8%	
MRO	6.8%	7.2%		6.8%	7.2%	

Research & Development

in m€	Q3 2009	Q3 2010	Change	9M 2009	9M 2010	Change
Company expensed R&D	26.9	33.7	25%	80.0	103.8	30%
OEM	23.9	31.2		70.2	95.4	
MRO	3.0	2.5		9.8	8.4	
Capitalisation of R&D	-3.0	-4.0		-8.5	-13.4	
OEM	-1.9	-3.4		-5.4	-10.8	
MRO	-1.1	-0.6		-3.1	-2.6	
R&D according to IFRS	23.9	29.7	24%	71.5	90.4	26%
Customer funded R&D	28.2	20.5	-27%	69.0	58.2	-16%
Total R&D	55.1	54.2	-2%	149.0	162.0	9%

Financial Result

in m€	Q3 2009	Q3 2010	Change	9M 2009	9M 2010	Change
Profit / Loss from at equity accounted companies	-0.4	-0.1		-0.5	-0.7	
Interest Result	-3.6	-2.8	22%	-9.8	-8.4	14%
Interest Income	0.4	0.7		0.8	4.5	
Interest Payments	-4.0	-3.5		-10.6	-12.9	
Other Financial Result	-6.9	-3.9	43%	-21.2	-33.0	-56%
Gains/losses out of US\$ cash/financing/capital lease valuation; Interest portion in contingent liabilities/provisions, others	-4.2	-7.9		-11.8	-9.8	
Non cash valuations (swaps)	3.6	8.6		9.4	-7.2	
Interests for pension provisions	-6.3	-4.6		-18.8	-16.0	
Total Financial Result	-10.9	-6.8	38%	-31.5	-42.1	-34%

Cash Flow

in m€	Q3 2009	Q3 2010	Change	9M 2009	9M 2010	Change
Net income IFRS	37.7	39.0	3%	93.4	99.6	7%
Depreciation and amortization	30.2	32.6		91.5	95.7	
Change in Provisions *)	14.3	-16.3		-9.4	7.3	
Change in Working Capital	-17.6	-29.3		14.8	-24.3	
Taxes	-0.1	19.7		6.3	28.4	
Interest, derivatives, others	-4.5	-7.6		-16.8	0.4	
Cash Flow from operating activities	60.0	38.1	-37%	179.8	207.1	15%
Cash Flow from investing activities	-31.0	-95.9**)	-209%	-84.1	-167.6**)	-99%
<i>Short term financial securities</i>		75.7			103.5	
Free Cash Flow	29.0	17.9	-38%	95.7	143.0	49%
- Short term financial securities		-75.7			-103.5	
Cash Flow from financing activities	-31.4	-2.9	91%	-55.8	-73.7	-32%
Effect of exchange rate on cash and cash equivalents	-1.3	-4.1		-4.0	1.9	
Change in cash and cash equivalents	-3.7	-64.8		35.9	-32.3	

*) includes pension provisions and other provisions

***) Cash flow from investing activities w/o short term financial securities: per 9M 2010: 64.1m€; in Q3 2010: 20.2m€

Working Capital

in m€	31.12.2009	30.09.2010	Change	Change in %
Gross inventories	648.7	661.2	-12.5	
Prepayments	-607.0	-690.5	83.5	
Receivables	525.1	673.9	-148.8	
Payables	-419.2	-472.7	53.5	
Working Capital	147.6	171.9	-24.3	-16%

PPA Depreciation / Amortisation (in m€)

Total depreciation / amortisation	Q3 2009	Q3 2010	9M 2009	9M 2010
MTU total	30.2	32.6	91.5	95.7
OEM	23.3	25.1	69.5	73.3
MRO	6.9	7.5	22.0	22.4

PPA depreciation / amortisation	Q3 2009	Q3 2010	9M 2009	9M 2010
MTU total	11.4	10.7	34.3	32.6
OEM	10.2	9.8	30.7	29.6
MRO	1.2	0.9	3.6	3.0

Depreciation / amortisation w/o PPA	Q3 2009	Q3 2010	9M 2009	9M 2010
MTU total	18.8	21.9	57.2	63.1
OEM	13.1	15.3	38.8	43.7
MRO	5.7	6.6	18.4	19.4

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