



Q2 2016 Results

Conference Call with Investors and Analysts

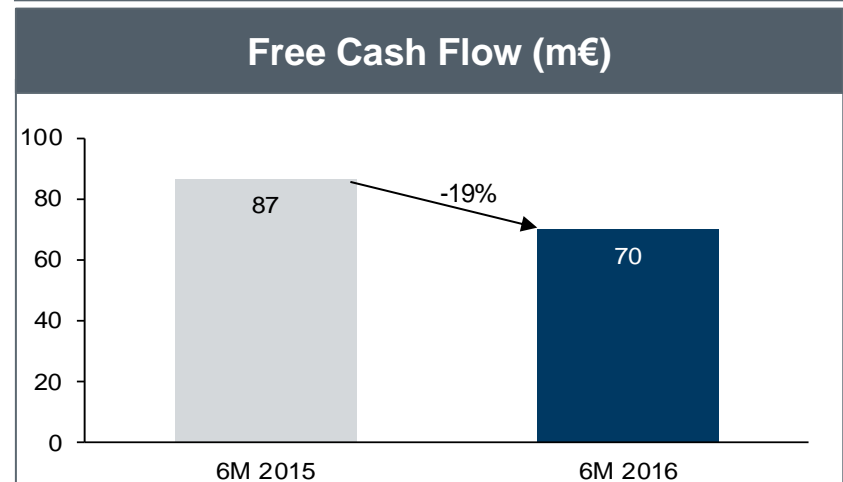
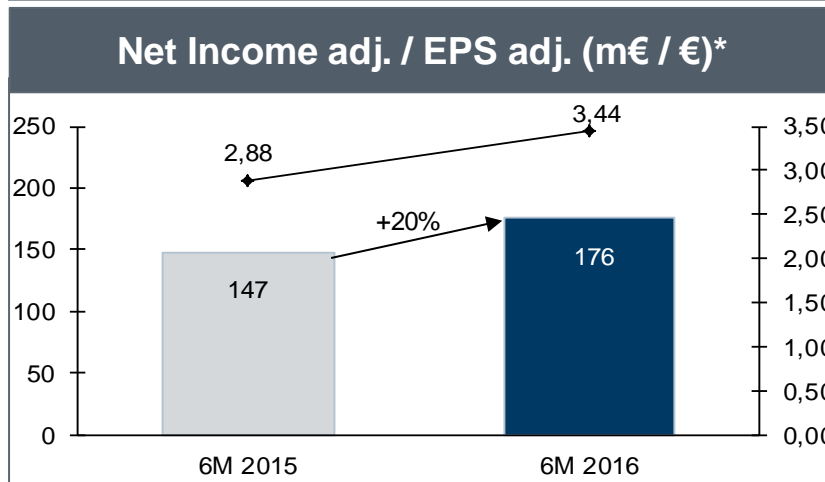
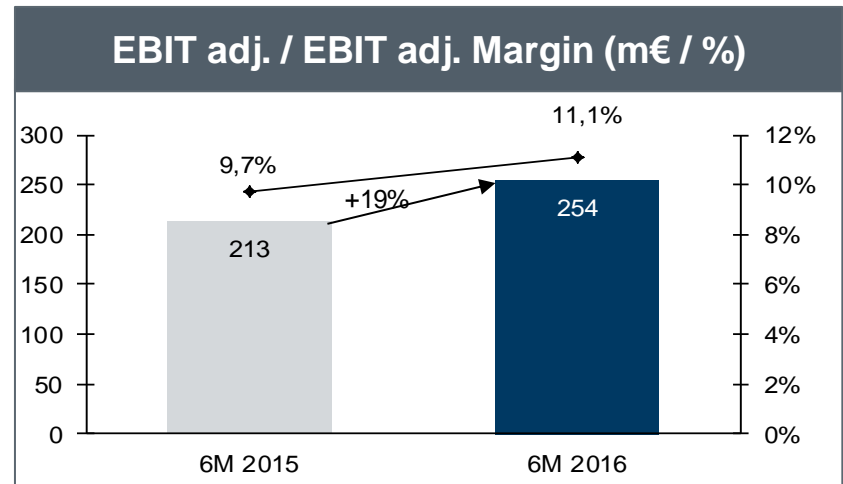
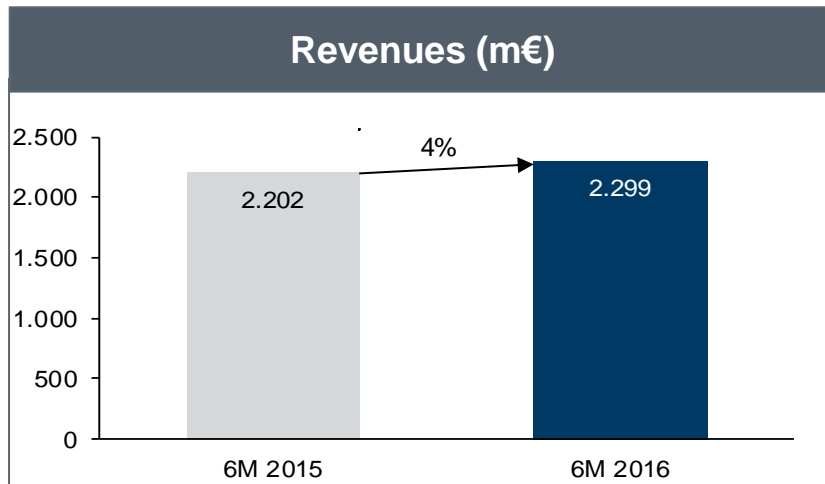
7/26/2016 – Investor Relations

Business Highlights Q2 2016



- Passenger traffic up 6.0 % ytd in May
- No direct impact from BREXIT expected
- Successful Farnborough Air Show
- Bombardier CS100 aircraft with PW1500G engines EIS on 15 July 2016
- Initial operations of A320neo equipped with PW1100G-JM highly successful
- New record MRO sales in the third consecutive quarter
- Convertible Bond of 500m€ issued in May 2016
- Record dividend paid
- Outlook for 2016 improved

Financial Highlights 2016 – MTU on track to achieve guidance

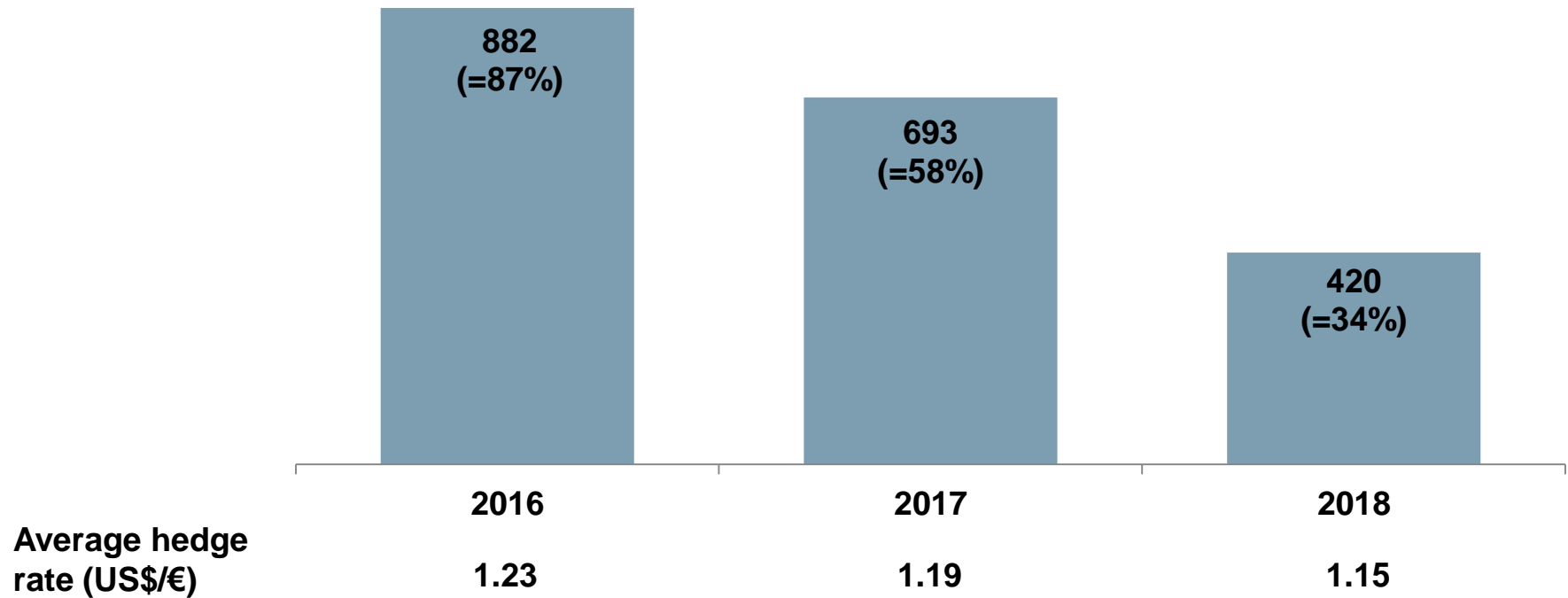


* w/o market-to-market valuations of US\$, nickel and options and others

US\$ Exchange Rate / Hedge Portfolio

Hedge book as of 26 July 2016 (% of net exposure)

(in m US\$)



Commercial OEM Business Highlights in Q2 2016



- Over 1 bn US\$ order wins at Farnborough Air Show
- Swiss Air has the first Bombardier CS100 powered by PW1500G engines in operation
- Successful first flight of Embraer E190-E2 with PW1900G engines
- FAA certification for PW1400G received; Roll out of Irkut MS-21 in June 2016
- GoAir begins passenger flights with A320neo powered by GTF engines
- First modified PW1100G-JM engines delivered to AIRBUS
- Final assembly of PW1100G-JM engines started at MTU Munich

Military Business Highlights in Q2 2016



- Enhancement of TP400 Propeller Gearbox approved by EASA
- Embraer KC-390 powered with V2500-E5 is making good progress with its test flights

OEM Segment

Order book	31/12/2015	30/06/2016	Change
Order book (m€)	6,830.6	6,140.8	-10%
Commercial Business (mUS\$)	6,888.5	6,335.9	-8%
Military Business (m€)	503.3	433.8	-14%
(m€)	6M 2015	6M 2016	Change
Revenues	1,467.1	1,441.1	-2%
Commercial Business	1,251.8	1,200.9	-4%
Military Business	215.3	240.2	12%
EBIT adj.	139.2	169.5	22%
<i>EBIT adj. Margin %</i>	<i>9.5%</i>	<i>11.8%</i>	



- Farnborough Air Show order wins of US\$ 1 bn not included yet
- Underlying US\$ Commercial OEM revenues were slightly down
- 2016 Guidance for spare parts revenues slightly improved



Commercial MRO Business Highlights in Q2 2016



- New contract wins of around US\$ 1 bn
- Garuda Indonesia signed exclusive MRO contract for their CF34 engine fleet
- New record sales in Q2 2016
- Continued high workload in all MRO shops

Commercial MRO Business

(mUS\$)	31/12/2015	30/06/2016	Change
Order book	6,165.4	5,999.3	-3%

(m€)	6M 2015	6M 2016	Change
Revenues	754.2	893.3	18%
EBIT adj.	73.5	84.5	15%
<i>EBIT adj. Margin %</i>	<i>9.7%</i>	<i>9.5%</i>	



- Recent campaign wins not included yet
- Organic revenues up in high teens
- Revenue expectation for 2016 increased

Guidance 2016 Update – Improved Aftermarket leads to increase in earnings expectation

Military:	Stable	⇒
New engine Sales (Com. OE):	Mid single digit	↑
Spare parts Sales (Com. Spares):	Mid single digit (ex low to mid)	↑
Commercial MRO:	~ 10% (ex high single digit)	↑↑
Revenues		~ 4.7 bn €
Tailwind from US\$ fx-rate due to improved Hedge book (based on avg. rate of 1.10)		
Slight headwind from Com. OE mix and R&D (P&L)		
EBIT adj.		~ 480 m €
Improved tax rate of 29%		
Net Income adj.		~ 330 m €
Free Cashflow		~ 70 m €

Appendix

Net Income adj.

(m€)	Q2 2015	Q2 2016	Change	6M 2015	6M 2016	Change
Revenues	1,102.5	1,201.3	9%	2,202.0	2,299.2	4%
EBIT adj.	115.1	122.8	7%	212.8	254.1	19%
<i>Thereof P&L of companies accounted "at equity"</i>	3.6	5.8	61%	13.1	14.1	8%
Interest Result	-0.2	-2.0	<-300%	-1.0	-3.7	-270%
Interests for pension provisions	-3.6	-4.1	-14%	-7.1	-8.2	-15%
Financial Result	-3.8	-6.1	-61%	-8.1	-11.9	-47%
EBT adj. *	111.3	116.7	5%	204.7	242.2	18%
Taxes**	-32.3	-32.1		-57.5	-66.1	
Tax rate normalized	30.0%	29.0%		30.0%	29.0%	
Net Income adj. **	79.0	84.6	7%	147.2	176.1	20%
EPS adj. **	1.55	1.65	7%	2.88	3.44	19%

*) w/o market-to market valuations of US\$, Nickel , options and others

**) at equity results excluded from taxation

Profit & Loss

(m€)	Q2 2015	Q2 2016	Change	6M 2015	6M 2016	Change
Revenues	1,102.5	1,201.3	9%	2,202.0	2,299.2	4%
Total Cost of Sales	-956.7	-1,037.1		-1,930.7	-1,965.3	
Gross Profit	145.8	164.2	13%	271.3	333.9	23%
<i>Gross Profit Margin</i>	13.2%	13.7%		12.3%	14.5%	
R&D according to IFRS	-8.7	-19.1		-24.3	-38.5	
SG&A	-41.2	-42.6		-79.3	-84.2	
Other operating income (expense)	1.7	1.2		4.3	2.9	
P&L of companies accounted "at equity and at cost"	3.7	6.6		13.2	14.9	
EBIT reported	101.3	110.3	9%	185.2	229.0	24%
<i>Adjustment (PPA Depreciation & Amortization)</i>	6.0	5.3		12.1	10.6	
<i>Adjustment (IAE Upshare)</i>	7.8	7.2		15.5	14.5	
EBIT adj.	115.1	122.8	7%	212.8	254.1	19%
<i>EBIT adj. margin</i>	10.4%	10.2%		9.7%	11.1%	
Financial Result	6.8	-13.5		-44.9	-12.4	
Profit before tax (EBT)	108.1	96.8	-10%	140.3	216.6	54%
Taxes	-25.1	-28.6		-36.3	-58.0	
Net Income reported	83.0	68.2	-18%	104.0	158.6	53%
Net Income adj.	79.0	84.6		147.2	176.1	
EPS reported	1.62	1.34		2.04	3.10	
EPS adj.	1.55	1.65		2.88	3.44	

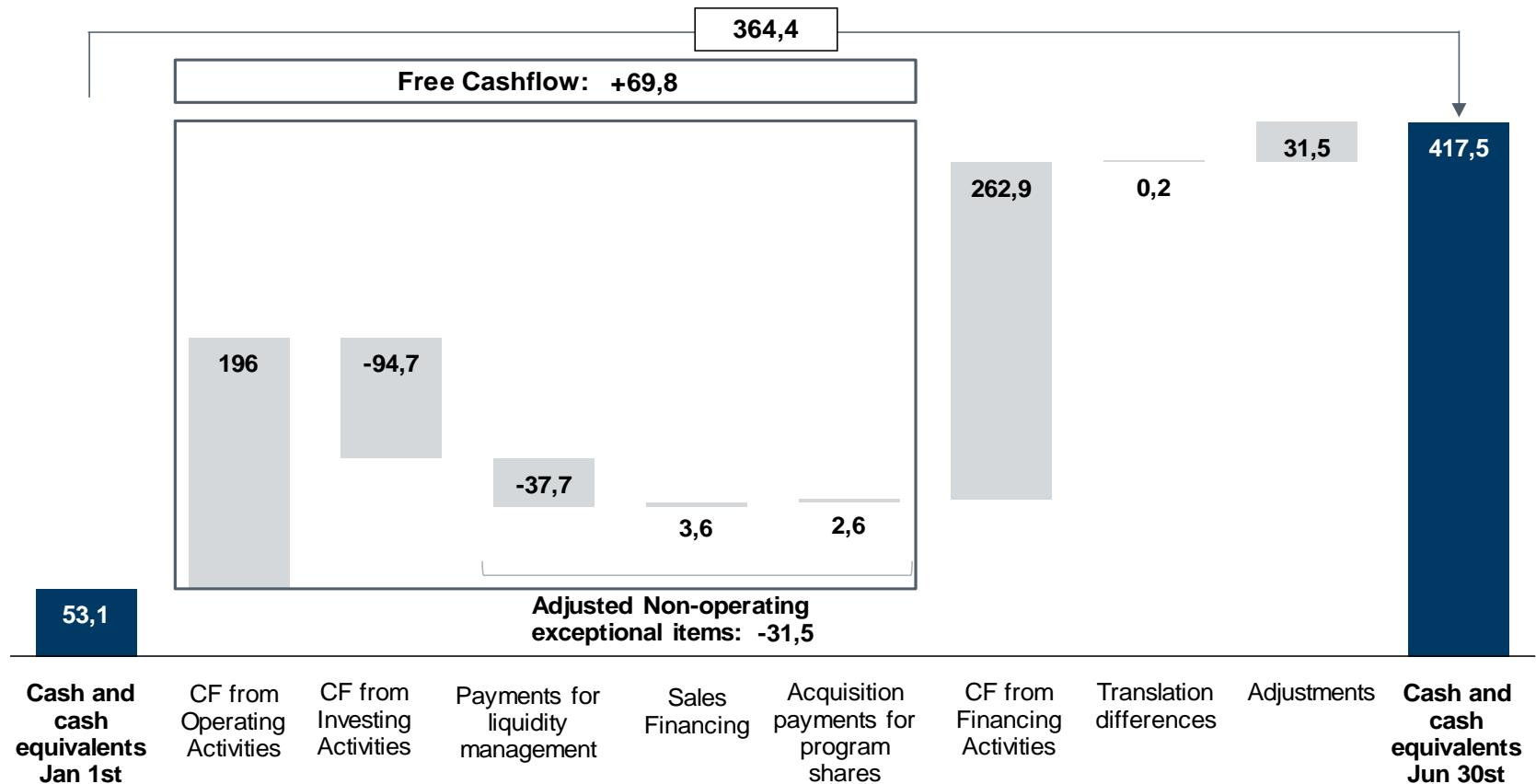
Segment Revenues and EBIT adj.

(m€)	Q2 2015	Q2 2016	Change	6M 2015	6M 2016	Change
Revenues Group	1,102.5	1,201.3	9%	2,202.0	2,299.2	4%
OEM Commercial	616.3	644.9	5%	1,251.8	1,200.9	-4%
OEM Military	124.1	115.7	-7%	215.3	240.2	12%
MRO	370.3	464.5	25%	754.2	893.3	18%
Consolidation	-8.2	-23.8		-19.3	-35.2	
EBIT adj. Group	115.1	122.8	7%	212.8	254.1	19%
OEM (Commercial / Military)	81.1	80.7	0%	139.2	169.5	22%
MRO	35.4	42.2	19%	73.5	84.5	15%
Consolidation	-1.4	-0.1		0.1	0.1	
EBIT margin adj. Group	10.4%	10.2%		9.7%	11.1%	
<i>OEM (Commercial / Military)</i>	<i>11.0%</i>	<i>10.6%</i>		<i>9.5%</i>	<i>11.8%</i>	
<i>MRO</i>	<i>9.6%</i>	<i>9.1%</i>		<i>9.7%</i>	<i>9.5%</i>	

Research & Development

(m€)	Q2 2015	Q2 2016	Change	6M 2015	6M 2016	Change
Total R&D	50.0	55.0	10%	102.0	113.6	11%
Customer funded R&D	14.2	14.3	1%	-22.9	-22.4	2%
Company expensed R&D	35.8	40.7	14%	79.1	91.2	15%
thereof OEM	34.4	39.0		76.7	88.3	
thereof MRO	1.4	1.7		2.4	2.9	
Capitalization of R&D	-27.1	-21.6		-54.8	-52.7	
thereof OEM	-27.1	-21.6		-54.8	-52.7	
thereof MRO	0.0	0.0		0.0	0.0	
R&D according to IFRS (P&L)	8.7	19.1	120%	24.3	38.5	58%
Amortisation (COGS)	0.6	2.3		1.1	4.4	
Total R&D impact P&L	9.2	21.4	133%	25.4	42.9	69%

MTU's Cash development January – June 2016



Cash Flow

(m€)	6M 2015	6M 2016	Change
Net Income IFRS	104.0	158.6	53%
Depreciation and amortization	78.1	86.4	
Change in provisions*	6.3	49.1	
Change in Working Capital	-29.4	-69.2	
Taxes	-17.4	-15.0	
Interest, derivatives, others	28.9	-13.9	
Cash Flow from operating activities	170.5	196.0	15%
Cash Flow from investing activities	-115.1	-94.7	18%
<i>Adjustments</i>	31.3	-31.5	
Free Cash Flow	86.7	69.8	-19%
<i>Adjustments</i>	-31.3	31.5	
Cash Flow from financing activities	-51.5	262.9	>300%
Effect of exchange rate on cash and cash equivalents	3.3	0.2	
Change in cash and cash equivalents	7.2	364.4	
Cash and cash equivalents at 30.06.	71.8	417.5	

* includes pension provisions and other provisions

Net financial debt at 859 m€

(m€)	31/12/2015	30/06/2016	Change
Corporate bonds	353.2	820.2	
Financial liabilities to bank	149.2	30.1	
<i>thereof Revolving Credit Facility</i>	119.1	0.0	
<i>thereof Note Purchase Agreement</i>	30.1	30.1	
Loans from related companies	0.0	0.6	
Finance lease liabilities	12.9	12.2	
Financial liabilities arising from program participation	531.4	490.5	
<i>thereof arising from IAE V2500 Upshare</i>	419.6	393.8	
Gross financial debt	1,046.7	1,353.6	29%
Cash and cash equivalents	53.1	417.5	
Loans to third parties	60.7	59.9	
Loans to related companies	13.8	17.1	
Securities	37.9	0.0	
Financial assets	165.5	494.5	199%
Net financial debt	881.2	859.1	-3%

Working Capital

(m€)	31/12/2015	30/06/2016	Change	Change in %
Gross inventories	894.0	931.6	37.6	
Prepayments	-373.8	-304.4	69.4	
Receivables	1,065.8	1,091.1	25.3	
Payables	-861.9	-925.0	-63.1	
Working Capital	724.1	793.3	69.2	10%

PPA Depreciation / Amortization (in m€)

(in m€)	Q2 2015	Q2 2016	6M 2015	6M 2016
Total depreciation / amortization				
OEM	32.8	34.4	65.0	67.9
MRO	8.1	8.6	16.1	16.9
MTU total	40.9	43.0	81.1	84.8
PPA depreciation / amortization				
PPA OEM	5.4	4.7	10.9	9.4
PPA MRO	0.6	0.6	1.2	1.2
IAE Upshare OEM	7.8	7.2	15.5	14.5
MTU total	13.8	12.5	27.6	25.1
Depreciation / amortization w/o PPA and w/o IAE Upshare				
OEM	19.6	22.5	38.6	44.0
MRO	7.5	8.0	14.9	15.7
MTU total	27.1	30.5	53.5	59.7

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