
First-quarter results affirm MTU Aero Engines' full-year forecast for 2009

- Revenues increased by 10% to €693.1 million
- EBIT margin slightly above level expected for 2009, at 10.8%

Munich, April 23, 2009 – MTU Aero Engines Holding AG has reported a 10% improvement in revenues to €693.1 million for the first quarter of 2009 (1-3/08: €630.0 million). Discounting the effect of the U.S. dollar exchange rate, revenues decreased by 2%. Operating profit¹ amounted to €75.2 million, compared with €80.0 million in the first three months of 2008. This reduction is mainly attributable to higher research and development expenses, in addition to the impact of the present market situation. The EBIT margin for this three-month period amounted to 10.8%, which slightly exceeds the level expected by MTU for the full year. Net income for the first quarter of 2009 amounted to €31.0 million. This is lower than the figure for the equivalent period one year earlier (1-3/08: €44.2 million), mainly due to a lower financial result attributable to valuation differences and the reduced operating profit.

“The figures for the first three months are encouraging and we are optimistic to meet our 2009 targets,” commented Egon Behle, CEO of MTU Aero Engines Holding AG. “They confirm that MTU is well placed even given the constraints of the present difficult market situation.”

The increase in revenues compared to the first quarter of 2008 has been boosted by strong growth in the commercial maintenance sector, where MTU's revenues have improved by 17% to €302.4 million (1-3/08: €258.3 million). Excluding the effect of the U.S. dollar exchange rate, MRO revenues increased by 2%. The main source of these revenues was the V2500 engine that powers the Airbus A320 family of aircraft.

Revenues in the commercial engine business amounted to €284.6 million or 7% higher than the equivalent period in 2008 (1-3/08: €265.3 million). Excluding the effect of the U.S. dollar exchange rate, these revenues decreased by 7%. The main sources of revenues in connection with both new engines and spare parts were the V2500 program for the Airbus A320 family, the PW2000 for the Boeing 757 and C-17, and the CF6-80C engine deployed in the Boeing 747 and the Airbus models A310 and A330.

Revenues in the military engine business remained stable, at €114.2 million. The major part of these revenues was generated by the EJ200 Eurofighter engine and after-market sales for the RB199 engine that equips the Tornado.

¹ EBIT adjusted = Earnings before interest and tax, calculated on a comparable basis



MTU's order backlog at March 31, 2009 amounted to €4,193.2 million, which represents 1.5 times the company's annual revenues in 2008. The order backlog has thus increased by 4% since the beginning of the financial year (Dec. 31, 2008: €4,015.7 million) and remains stable after exchange rate adjustments.

The decrease of roughly 2 percentage points in the group's overall EBIT margin to 10.8% is largely attributable to the OEM business, as expected, where a lower EBIT adjusted of €54.8 million was reported (1-3/08: €72.9 million). The EBIT margin for the OEM business amounted to 13.7% compared with 19.2% in the first quarter of 2008. This result reflects the substantial investments in preparation of new programs coupled with a shift in business mix. EBIT has progressed significantly in MTU's commercial maintenance business. Compared with the figure of €8.6 million for the first three months of 2008, EBIT more than doubled to €19.3 million in the first quarter of 2009. This has led to a corresponding increase in the EBIT margin for the commercial maintenance business to 6.4% (1-3/08: 3.3%).

MTU's total research and development expenditure increased by 34% to €50.4 million compared with the first quarter of 2008 (1-3/08: €37.7 million). Company-funded R&D expenses increased at an even higher rate, doubling to €30.4 million (1-3/08: €14.5 million). According to Chief Financial Officer Reiner Winkler: "By intensifying our R&D activities we are further advancing our innovative lead to provide a secure basis for MTU's future." Research and development activities during the three months under review have focused essentially on emerging technologies and on the company's major development programs. These comprise the PW1000G for the Mitsubishi Regional Jet and Bombardier CSeries, the PW810 for the Cessna Citation Columbus, the GEnx for the Boeing 787 Dreamliner and Boeing 747-8, and the GE38 for the Sikorsky CH-53K heavy-lift transport helicopter.

Free cash flow at the end of March 2009 amounted to €35.4 million, or 18% lower than the equivalent figure at the end of the first quarter 2008 (1-3/08: €43.4 million). Nevertheless, cash flow from operating activities remained close to the previous year's level of €62.1 million, at €59.8 million. MTU's capital expenditure increased by 45% during the first quarter of 2009, rising to a total of €27.4 million, principally in order to finance the ongoing establishment of MTU Aero Engines Polska.

The number of MTU employees at March 31, 2009 amounted to 7,588, and has thus barely changed since the end of the previous financial year (December 31, 2008: 7,537 employees).

Outlook

MTU continues to affirm its forecast for the financial year 2009: Revenues are expected to remain at the previous year's level of around €2,800 million (2008: €2,724.3 million). MTU is reckoning with an



EBIT margin (adjusted) in the region of 10%, compared with around 12% in 2008. As a result of the planned investments to assure the company's future, MTU expects its net profit to decrease to approximately €140 million. Despite these additional investments, which include increased research and development expenditure in connection with the new engine programs, MTU nevertheless anticipates a free cash flow in the region of €80 million to €100 million in 2009.

MTU Aero Engines – Key financial data for January through March 2009

(Figures quoted in million €, calculated on a comparable basis. Statements prepared in accordance with IFRS. Figures calculated on a comparable basis apply adjustments to the IFRS consolidated results to exclude restructuring and transaction costs, capitalized development costs, and the effects of IFRS purchase accounting.)

MTU Aero Engines	Q1 2009	Q1 2008	Change
Revenues	693.1	630.0	+ 10.0 %
of which OEM business	398.8	379.4	+ 5.1 %
of which commercial engine business	284.6	265.3	+ 7.3 %
of which military engine business	114.2	114.1	+ 0.1 %
of which commercial MRO business	302.4	258.3	+ 17.1 %
EBIT (calculated on a comparable basis)	75.2	80.0	- 6.0 %
of which OEM business	54.8	72.9	- 24.8 %
of which commercial MRO business	19.3	8.6	+ 124.4 %
<i>EBIT margin</i>	<i>10.8 %</i>	<i>12.7 %</i>	
<i>in the OEM business</i>	<i>13.7 %</i>	<i>19.2 %</i>	
<i>in the commercial MRO business</i>	<i>6.4 %</i>	<i>3.3 %</i>	
Net income (IFRS)	31.0	44.2	- 29.9 %
Earnings per share (undiluted)	€0.64	€0.88	- 27.3 %
Free cash flow	35.4	43.4	- 18.4 %
Research and development expenses	50.4	37.7	+ 33.7 %
of which company-funded R&D	30.4	14.5	+ 109.7 %
of which outside-funded R&D	20.0	23.2	- 13.8 %
Capital expenditure	27.4	18.9	+ 45.0 %
	Mar. 31, 09	Dec. 31, 08	Change
Order backlog	4,193.2	4,015.7	+ 4.4 %
of which OEM business	4,041.8	3,884.5	+ 4.0 %
of which commercial MRO business	151.4	131.4	+ 15.2 %
Employees	7,588	7,537	+ 0.7 %

MTU Aero Engines is the leading German manufacturer of aircraft engines and a major player in the industry. The company celebrates its 75th anniversary this year (2009). Together with its affiliates, MTU maintains a presence in all essential markets and regions. In the commercial engine sector, the company has close working ties with the world's major aero engine manufacturers – General Electric, Pratt & Whitney and Rolls-Royce. In the military sector, MTU is the lead industrial partner for almost



every type of engine operated by the German armed forces, and an important partner in all major military aero engine programs in Europe. MTU Maintenance is the world's largest independent provider of MRO services for commercial aero engines. MTU is a technological leader in high-pressure compressors, low-pressure turbines, manufacturing processes, and repair techniques.

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