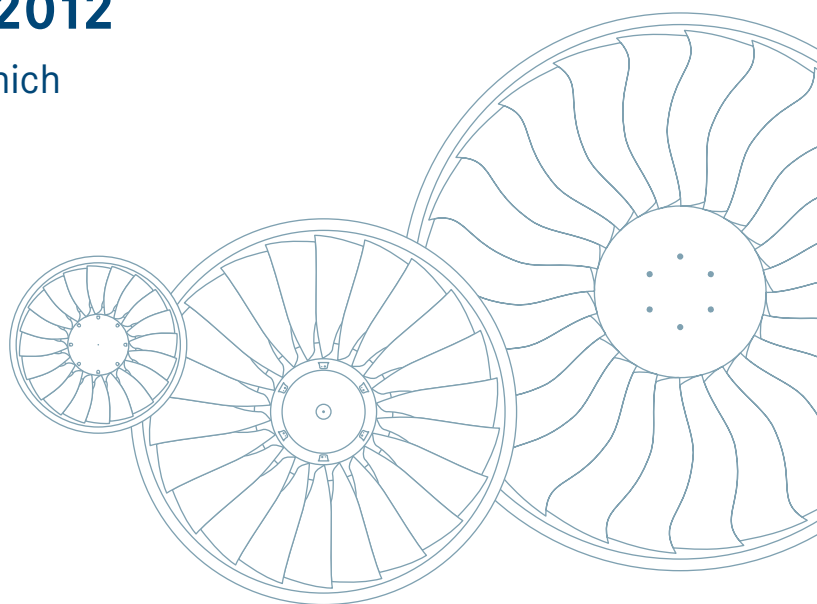




Quarterly Financial Report January 1 to March 31, 2012

MTU Aero Engines Holding AG, Munich



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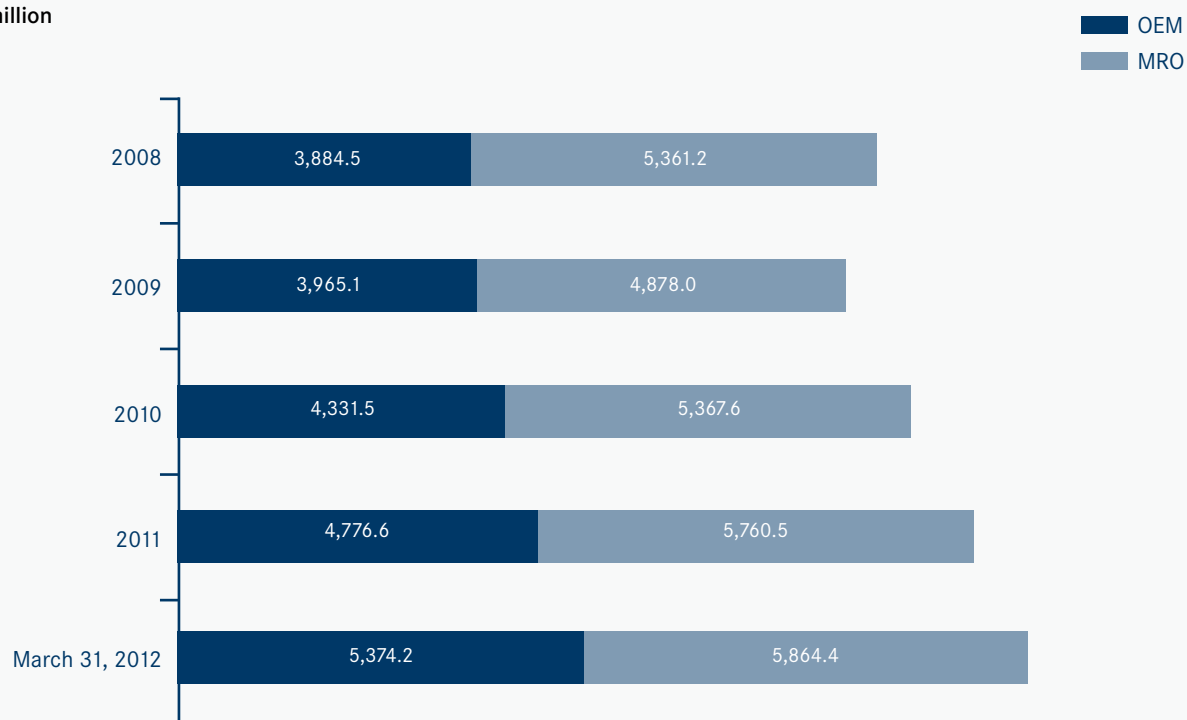
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Key Facts and Figures for the Group				
in € million (unless otherwise specified)	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011	Change against previous year	
			in € million	in %
Income Statement				
Revenues	698.0	664.8	33.2	5.0
Gross profit	143.7	134.7	9.0	6.7
Earning before interest and taxes (EBIT)	81.7	69.9	11.8	16.9
Adjusted earning before interest and taxes (EBIT adjusted)	91.4	80.5	10.9	13.5
Earning before taxes (EBT)	76.8	49.3	27.5	55.8
Earning after taxes (EAT)	54.0	33.5	20.5	61.2
Undiluted earning per share (in €)	1.07	0.69	0.38	55.1
Diluted earning per share (in €)	1.07	0.67	0.40	59.7
Growth rates in %				
Revenues	5.0	3.8		
Gross profit	6.7	17.0		
Adjusted earning before interest and taxes (EBIT adjusted)	13.5	17.0		
Earning before taxes (EBT)	55.8	1.6		
Earning after taxes (EAT)	61.2	2.8		
Undiluted earning per share (in €)	55.1	3.0		
Diluted earning per share (in €)	59.7	3.1		
Revenue margins in %				
Earning before interest and taxes (EBIT)	11.7	10.5		
Adjusted earning before interest and taxes (EBIT adjusted)	13.1	12.1		
Earning before taxes (EBT)	11.0	7.4		
Earning after taxes (EAT)	7.7	5.0		
Balance Sheet (previous year: December 31)				
Intangible assets	1,265.7	1,266.3	-0.6	
Property, plant and equipment	585.8	584.6	1.2	0.2
Financial assets	54.6	60.3	-5.7	-9.5
Working capital	127.5	101.5	26.0	25.6
Cash and cash equivalents	189.1	198.8	-9.7	-4.9
Pension provisions	458.9	457.0	1.9	0.4
Other provisions	329.1	319.8	9.3	2.9
Financial liabilities	82.2	261.6	-179.4	-68.6
Deferred taxes, current tax liabilities	242.6	239.6	3.0	1.3
Equity	1,077.6	906.1	171.5	18.9
Net financial position/net financial debt (-)	151.8	-12.2	164.0	
Order backlog and value of MRO contracts (order volume) (previous year: December 31)				
Commercial and Military Engine business (OEM) *)	11,238.6	10,537.1	701.5	6.7
Commercial Maintenance business (MRO) *)	5,374.2	4,776.6	597.6	12.5
	5,864.4	5,760.5	103.9	1.8
Cash flow				
Cash flow from operating activities	63.4	94.0	-30.6	-32.6
Cash flow from investing activities	-9.2	-51.8	42.6	82.2
Free cash flow	34.2	70.9	-36.7	-51.8
Free cash flow margin (in %)	4.9	10.7		
Cash flow from financing activities	-61.1	2.0	-63.1	
Change in cash and cash equivalents	-9.7	38.3	-48.0	
Number of employees at quarter end				
Commercial and Military Engine business (OEM)	8,280	7,975	305	3.8
Commercial Maintenance business (MRO)	5,076	4,980	96	1.9
Other entities	3,147	2,995	152	5.1
	57		57	

*) before consolidation

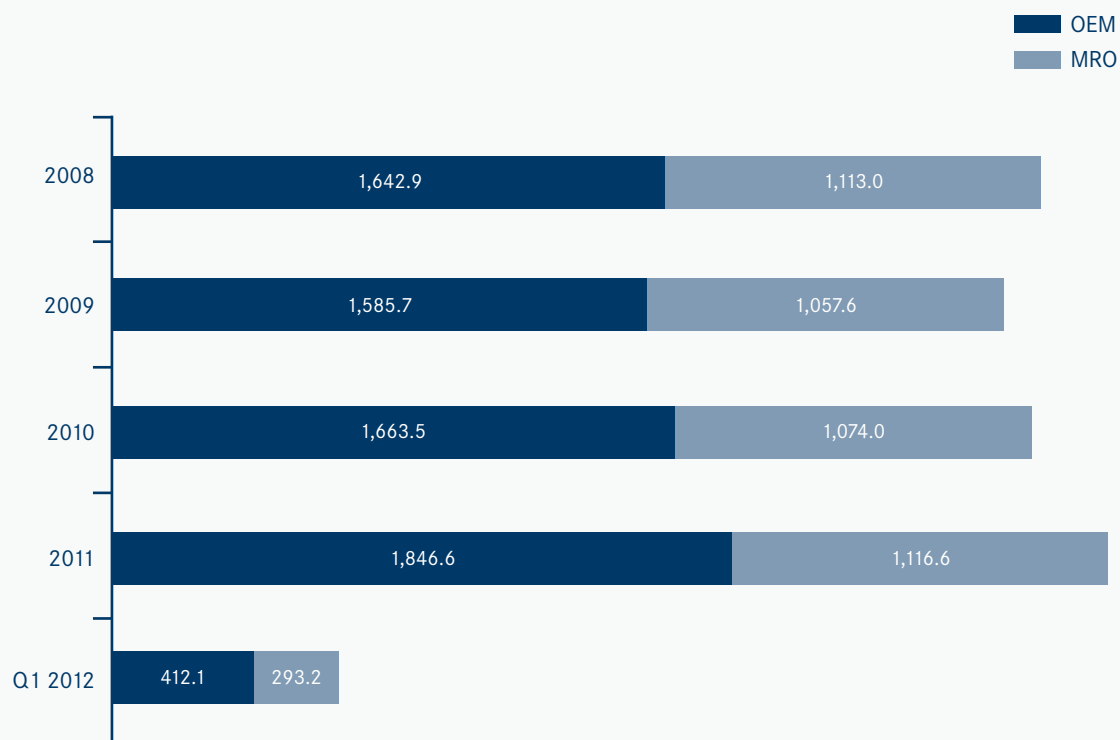
Order backlog and value of MRO contracts by segment (before consolidation)

in € million



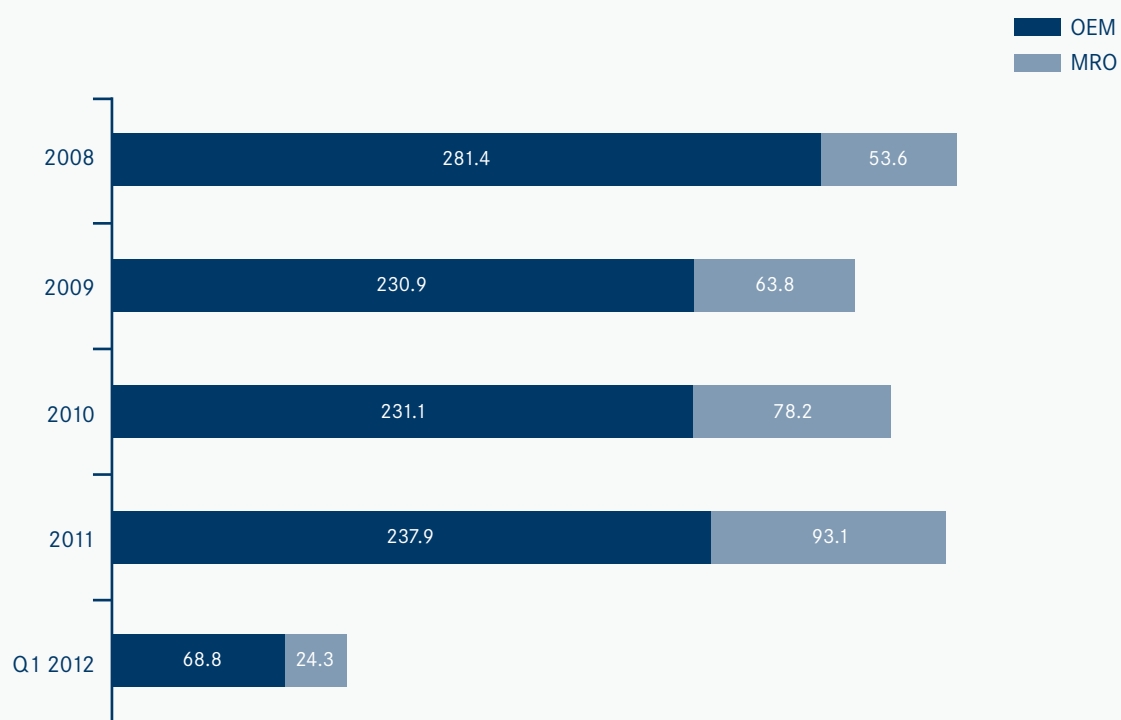
Revenues by segment (before consolidation)

in € million



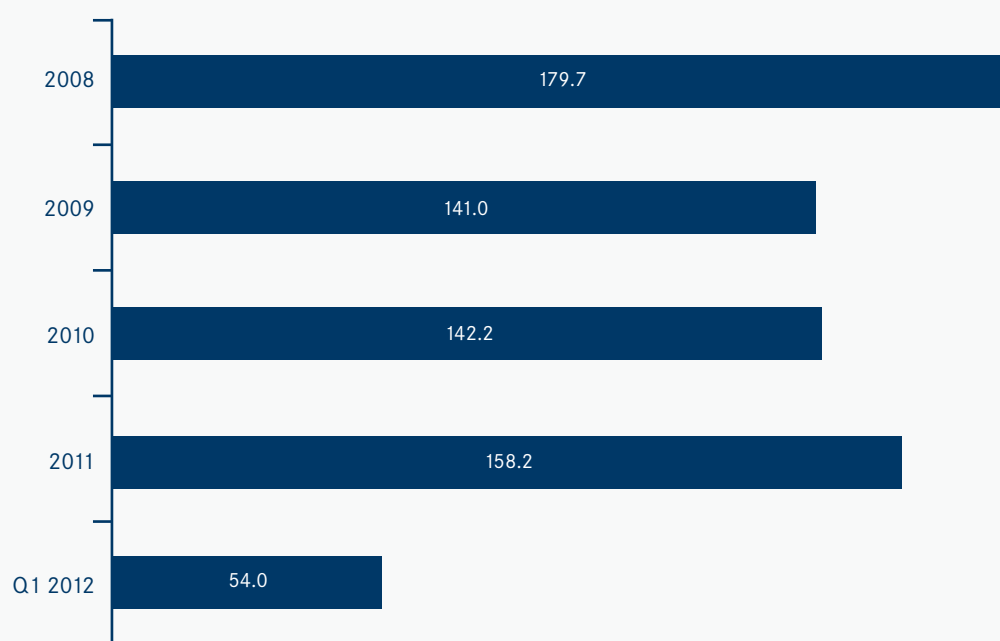
EBIT adjusted by segment (before consolidation)

in € million



Earnings after tax

in € million



General Economic Environment

The global economy grew by only 2.6 % in 2011 (source: EIU). The fourth quarter 2011 was particularly weak, with the EU economy contracting by 0.3 % compared with the third quarter and the growth rate of the emerging markets also lower than the high level predicted. The USA recorded growth of 0.7 % between the third and fourth quarters 2011.

The forecast for economic growth in 2012 is 2.1 % (source: EIU).

The price of oil (WTI) has been rising sharply since the beginning of 2012 and stood at US dollar 105 per barrel at the end of the first quarter 2012. This increase was attributable to tensions between Iran and the West on the one hand and strong demand from Asia on the other. A persistently high oil price would almost certainly have a negative impact on the growth rate forecast for the global economy in 2012.

The US dollar is particularly important for MTU's international business. During the first quarter of 2012 it performed weakly against the euro, losing ground continually from the beginning of the year. The average rate of the US dollar to the euro during the three-month period (US \$ 1.31) was significantly lower than in the same period last year (US \$1.37). Reference is made to section 3.2 (Operating results, financial situation and net assets) of the Interim Group Management Report for comments on the impact of changes in exchange rate parities.

Sector environment

The airlines generated a profit of US dollar 7.9 billion in 2011 on revenues totalling US dollar 600 billion. Their aggregated profit was therefore almost double the amount still being forecast by the IATA in mid-2011.

The year 2012 began with a sharp increase in air traffic volumes. Passenger numbers worldwide rose by 5.7 % in January 2012 compared with January 2011, and in February by as much as 8.6 % compared with the previous year. Global freight traffic fell by 8 % in January due to the Chinese New Year holiday. In February 2012, it grew by 5.2 % compared to February 2011.

The IATA published its new financial forecast for 2012 in March, predicting growth in worldwide passenger numbers of 4.2 %.

It forecasts that the airlines will generate a net profit of approximately US dollar 3 billion in 2012. The high price of oil is likely to have a severe impact on the airlines' earnings, as will the fact that aviation is now included in the European Emissions Trading System.

The already high level of the order-book for aircraft climbed again during the first quarter 2012, rising to 9,020 aircraft, an increase of 4.9 % compared to the end of the fourth quarter 2011. 268 aircraft were handed over to customers during the first quarter 2012. This represented a 20 % increase on the first quarter 2011, during which 223 aircraft were delivered. With these figures, Airbus and Boeing are on course to achieve their targets for 2012: the two aircraft manufacturers wish to raise deliveries in 2012 by 15 % compared to the previous year to 1,165 units.

The market for business jets continued to be disappointing. Deliveries fell by 6 % in 2011, the volume of flight movements is stagnating, while the market for pre-owned aircraft has become overheated. That said, the segment for medium-weight business jets, in which MTU predominantly operates, has stabilized somewhat. New products coming onto the market in 2012 should help to revive demand.

1 The enterprise MTU

MTU Aero Engines Holding AG, Munich, along with its consolidated group of companies (hereafter referred to as “MTU”, “group”, “enterprise” or “company”) is Germany’s leading engine manufacturer and one of the world’s largest.

2 Research and development

Technological changes within the aviation sector take place at an extremely rapid pace and require a continuous source of

innovation. Research and development expenditure will remain at a high level during the financial years 2012 and 2013. First-quarter expenditure on research and development increased to € 67.6 million. The research and development ratio – measured as R&D expenditure divided by revenues – was unchanged at 9.7 %.

Research and development expenses

	Jan. 1 - March 31, 2012 in € million	Jan. 1 - March 31, 2011 in € million	Change against previous year	
			in € million	in %
Commercial Engine business	45.2	44.5	0.7	1.6
Commercial Maintenance business	1.1	1.8	-0.7	-38.9
Military Engine business	21.3	18.2	3.1	17.0
Research and development (before amounts capitalized)	67.6	64.5	3.1	4.8
R&D ratio (as % of revenues)	9.7	9.7		

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 paid for by customers. Company-funded expenditure is reported in the table below and in section 8 of the Selected Explanatory Notes to the Interim Consolidated Financial Statements as R&D expense. Externally funded R&D activities are accounted for as construction contract receivables or payables in accordance with IAS 11 due to the fact that the work is commissioned specifically by national and international consortia. R&D expenses of € 67.6 million (January - March 2011: € 64.5 million) included € 39.8 million (January - March 2011: € 40.4 million) relating to company-

funded R&D expenditure. Of this amount, € 38.7 million (January - March 2011: € 38.6 million) related to Commercial and Military Engines business (OEM). A total of € 11.0 million (January - March 2011: € 5.3 million) relating to the GE38 and PW1100G engine programs was recognized as capitalized developments costs.

The first-quarter expense for Commercial Maintenance business was € 1.1 million (January - March 2011: € 1.8 million)

The following table includes the own-financed research and development expense reported in the income statement (see section 8 of the Selected Explanatory Notes).

Research and development expenses reported in income statement (own financed)

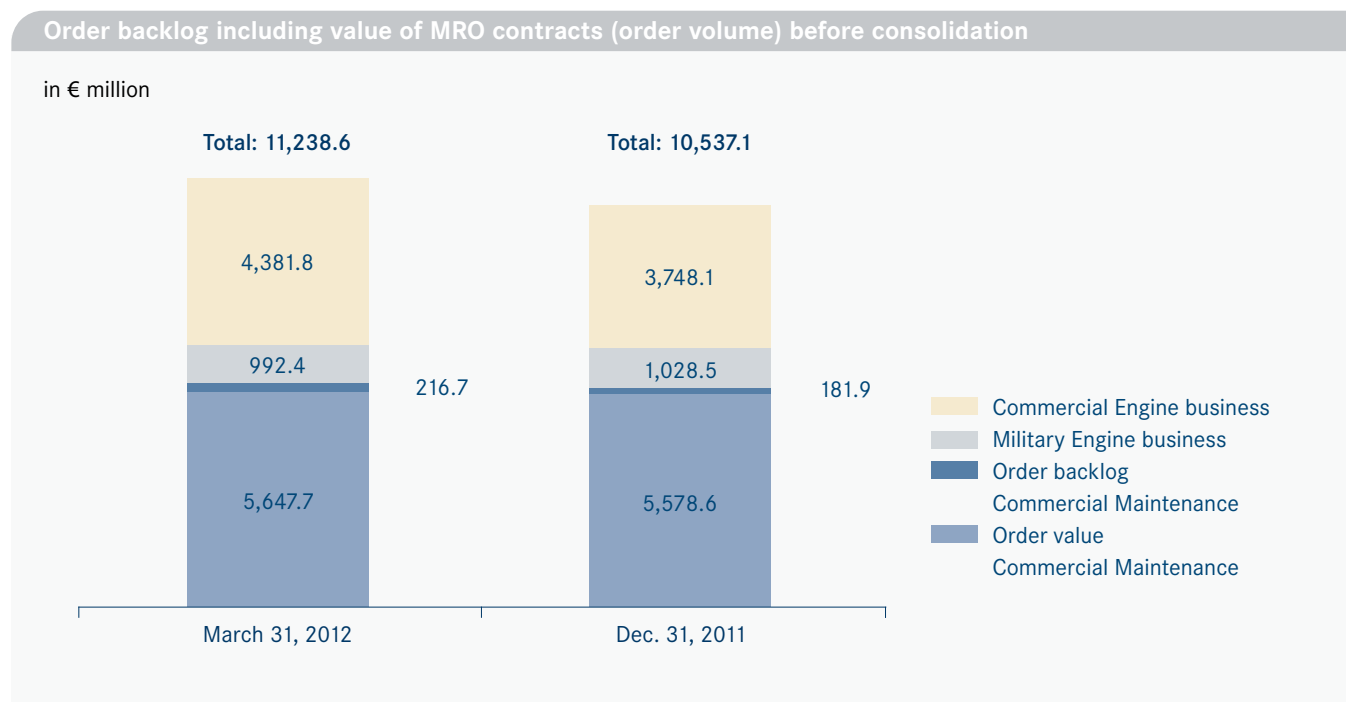
	Jan. 1 - March 31, 2012 in € million	Jan. 1 - March 31, 2011 in € million	Change against previous year	
			in € million	in %
Commercial Engine business	37.1	36.2	0.9	2.5
Commercial Maintenance business	1.1	1.8	-0.7	-38.9
Military Engine business	1.6	2.4	-0.8	-33.3
Own financed R&D expenditure	39.8	40.4	-0.6	-1.5
Capital expenditure on assets required to be capitalized				
Commercial and Military Engine business	-11.0	-5.3	-5.7	
Commercial Maintenance business	-0.1	-0.9	0.8	88.9
Total capitalized	-11.1	-6.2	-4.9	-79.0
Research and development expenses per income statement	28.7	34.2	-5.5	-16.1
Capitalisation ratio in %	27.9	15.3	12.6	

3 Financial Situation

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

MTU's order backlog consists of firm orders placed by customers which commit the group to delivering products or providing services plus the contractually agreed order value of maintenance, repair and overhaul (MRO) contracts.

The order backlog at March 31, 2012 amounting to € 11.2 billion (December 31, 2011: € 10.5 billion) corresponds to a workload of approximately three years.



3.2 Operating results, financial situation and net assets

Revenues

Compared with corresponding quarter last year, revenues for the first quarter of 2012 rose by € 33.2 million (5.0 %) to € 698.0 million. While Commercial and Military Engine business revenues slipped by € 8.9 million (2.1 %) to € 412.1 million, Commercial Maintenance business revenues climbed by € 41.6 million (16.5 %) to € 293.2 million. Adjusted for the US dollar impact (i.e. using the same exchange rate as in the previous year), first-quarter group revenues would have increased by € 9.1 million (1.4 %).

Cost of sales and gross profit

Cost of sales for the first three months of 2012 went up by € 24.2 million (4.6 %) to € 554.3 million. The first-quarter gross profit improved as a result by € 9.0 million (6.7 %) to € 143.7 million. The gross profit margin improved accordingly to 20.6 % (January - March 2011: 20.3 %).

Financial result

The net interest result for the first three months of the year showed an improvement of € 3.7 million compared to the first quarter last year, mainly due to the conversion/redemption of the convertible bond which fell due on February 1, 2012. During the first quarter 2012 the convertible bond totalling € 152.7 million was partially (€ 90.1 million) converted into shares of MTU Aero Engines Holding AG, Munich, and the remainder (€ 62.6 million) redeemed.

As a result of the US dollar/euro exchange rate, other financial result contains mostly fair gains on currency holdings and from the measurement of financial instruments measured at fair value through profit or loss.

Overall, the first-quarter financial result improved by € 15.7 million compared to the previous year to a net expense of € 4.9 million.

Earnings before taxes (EBT)

As a result of higher earnings before interest and taxes (EBIT) and the improved financial result, earnings before taxes (EBT) for the first quarter jumped by € 27.5 million (55.8 %) to € 76.8 million (January - March 2011: € 49.3 million).

Earnings after taxes (EAT)

Earnings after taxes (EAT) rose to € 54.0 million (January - March 2011: € 33.5 million), in line with the improvement in earnings before taxes (EBT). At € 56.9 million, adjusted earnings before taxes (EAT adjusted) were also higher than in the previous year (January - March 2011: € 47.5 million).

Consolidated Statement of Comprehensive Income

In the Consolidated Statement of Comprehensive Income, earnings after taxes (EAT) of € 54.0 million (January - March 2011: € 33.5 million) are reconciled to the comprehensive income for the period of € 73.8 million (January - March 2011: € 61.6 million). Income and expenses recognized directly in equity in the first quarter 2012 (net of deferred taxes) comprise a positive impact of € 19.6 million (January - March 2011: € 33.5 million) from the fair value measurement of derivative financial instruments, a positive impact of € 0.1 million (January - March 2011: negative impact of € 5.3 million) from the currency translation of the financial statements of foreign subsidiaries and a positive impact of € 0.1 million (January - March 2011: negative impact of € 0.1 million) resulting from fair value gains on available-for-sale financial assets.

Financial position

The principles and objectives of financial management, as described in the Annual Report 2011 (page 94 onwards), remain unchanged.

The Group's external financing comprises mainly loans, credit lines available from banks and the issue of three promissory notes. During the quarter under report, the convertible bond amounting to € 152.7 million was extinguished by converting € 90.1 million into shares of MTU Aero Engines Holding AG and repaying € 62.6 million.

At March 31, 2012, the MTU Group has access to credit facilities of € 100.0 million with two banks. Of these credit facilities, € 11.4

million (December 31, 2011: € 12.4 million) were being utilized at March 31, 2012 for guarantees.

Free cash flow

MTU manages liquidity using the key performance indicator „Free cash flow“. Free cash flow is defined by the group as the cash inflow from operating activities less cash outflow for investments in intangible assets, property, plant and equipment and financial assets. Investments in financial assets which are not measured at fair value through profit or loss are not taken into account in the calculation of free cash flow since such investments can be sold at any time and are held as a liquidity reserve. During the first quarter of 2012, free cash flow fell by € 36.7 million to € 34.2 million (January – March 2011: € 70.9 million).

Financial position				
	Jan. 1 - March 31, 2012 in € million	Jan. 1 - March 31, 2011 in € million	Change against previous year	
			in € million	in %
Cash flow from operating activities	63.4	94.0	-30.6	-32.6
Cash flow from investing activities	-9.2	-51.8	42.6	82.2
Cash flow from investments/divestitures of financial assets	-20.0	28.7	-48.7	
Free cash flow	34.2	70.9	-36.7	-51.8
Cash flow from investments/divestitures of financial assets	20.0	-28.7	48.7	
Cash flow from financing activities	-61.1	2.0	-63.1	
Exchange rate changes	-2.8	-5.9	3.1	52.5
Change in cash and cash equivalents	-9.7	38.3	-48.0	
Cash and cash equivalents at				
the beginning of the reporting period	198.8	111.9	86.9	77.7
the end of the reporting period	189.1	150.2	38.9	25.9

Cash flow from operating activities

The cash flow from operating activities for the first three months of 2012 decreased by € 30.6 million to € 63.4 million (January – March 2011: € 94.0 million), primarily as a result of higher amounts tied up in working capital the higher amount of provisions utilized with cash-flow effect.

Cash flow from investing activities

The cash outflow for investing activities for the first quarter was € 9.2 million compared with € 51.8 million in the previous year. First-quarter investments in property, plant and equipment increased to € 19.5 million (January – March 2011: € 16.2 million). The cash outflow for intangible assets amounted to € 9.8 million (January – March 2011: € 6.3 million) and related mainly to capitalized development costs for the PW1100G und GE38 engine programs and for maintenance techniques.

Proceeds from the sale of intangible assets and property, plant and equipment during the first three months of 2012 totalled € 0.1 million (January – March 2011: € 0.3 million).

Cash flow from financing activities

The cash outflow from financing activities during the period from January to March 2012 was € 61.1 million (January – March 2011: cash inflow of € 2.0 million). The convertible bond, totalling € 152.7 million was partially converted into the Company's shares (€ 90.1 million) during the first quarter 2012 and the remainder (€ 62.6 million) redeemed at its due date on February 1, 2012.

Cash and cash equivalents

The various cash flows resulted in a decrease in cash and cash equivalents of € 9.7 million during the first quarter (January – March 2011: increase of € 38.3 million). Compared to March 31, 2011 cash and cash equivalents went up by € 38.9 million.

Cash and cash equivalents comprise the following at March 31, 2012:

Cash and cash equivalents				
	March 31, 2012 in € million	Dec. 31, 2011 in € million	Change against previous year in € million in %	
Sight deposits and cash	81.2	33.1	48.1	
Overnight and fixed term deposits *)	107.9	165.7	-57.8	-34.9
Total cash and cash equivalents	189.1	198.8	-9.7	-4.9

*) with a remaining term of up to 3 months

Net financial position

MTU defines “net financial position” as gross financial liabilities less available cash funds. As a result of the strong business performance, the group has a net positive financial position of

€ 151.8 million at March 31, 2012 (December 31, 2011: net financial debt of € 12.2 million).

Net financial position				
	March 31, 2012 in € million	Dec. 31, 2011 in € million	Change against previous year in € million in %	
Bonds				
Convertible bond		156.3	-156.3	-100.0
Financial liabilities to banks				
Promissory notes	26.0	25.6	0.4	1.6
Other bank credits	33.3	34.4	-1.1	-3.2
Financial liabilities to related parties *)	2.8		2.8	
Finance lease liabilities	3.7	3.9	-0.2	-5.1
Derivative financial liabilities	16.4	41.4	-25.0	-60.4
Gross financial liabilities	82.2	261.6	-179.4	-68.6
less:				
Cash and cash equivalents	189.1	198.8	-9.7	-4.9
Derivative financial assets	23.9	9.7	14.2	
Financial assets not measured at fair value through profit or loss	21.0	40.9	-19.9	-48.7
Net financial position/net financial debt (-)	151.8	-12.2	164.0	

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

During the quarter under report, the convertible bond totalling € 152.7 million was partially (€ 90.1 million) converted into shares of MTU Aero Engines Holding AG and the remainder (€ 62.6 million) redeemed. The net financial position improved accordingly following the conversion/redemption of the bond. Net fair value gains on derivative financial instruments also contributed to an improvement in the net financial position.

Net assets position

Changes in items in the statement of financial position

Group total assets at March 31, 2012 went down by 1.0 % compared to December 31, 2011.

Non-current assets edged up by € 8.8 million to € 1,894.7 million (December 31, 2011: € 1,885.9 million). By contrast current assets decreased by € 47.5 million to € 1,805.2 million.

A total of € 12.6 million of intangible assets were capitalized in the first quarter (January - March 2011: € 58.0 million).

The focus of investments was on the PW1100G engine, the new engine for the Airbus A320 family, with capital expenditure of € 10.0 million during the quarter under report (January - March 2011: € 2.8 million).

Internally generated development work was also capitalized in the first quarter 2012 in the Military Engine business segment for the GE38 engine program amounting to € 1.3 million (January - March 2011: € 1.9 million). Expenditure of € 0.1 million (January - March 2011: € 0.9 million) was also capitalized in the first quarter 2012 in connection with the rationalization of production processes and cost optimization of repair techniques in the Commercial Maintenance business segment.

The carrying amount of inventories increased by € 27.0 million to € 850.8 million. Trade and contract production receivables went down by € 28.0 million to € 713.9 million, current financial assets by € 15.3 million to € 28.8 million, other assets by € 20.0 million to € 14.2 million and cash and cash equivalents by € 9.7 million to € 189.1 million.

Group equity rose by € 171.5 million to stand at € 1,077.6 at March 31, 2012 (December 2011: € 906.1 million). Equity was increased during the first three months of 2012 by earnings after taxes (EAT) amounting to € 54.0 million (January - March 2011: € 33.5 million), fair value measurement gains on derivative financial instruments amounting to € 19.6 million (January - March 2011: € 33.5 million) recognized directly in equity, a net positive currency translation impact of € 0.1 million (January - March 2011: net negative currency translation impact of € 5.3 million) and net fair value gains on available-for-sale financial assets amounting to € 0.1 million (January - March 2011: net fair value losses of € 0.1 million). Equity also increased by € 97.5 million as a result of conversions of the convertible bond which matured on February 1, 2012.

As a result of these various factors, the equity ratio improved from 24.2 % at December 31, 2011 to 29.1 % at March 31, 2012.

Pension provisions increased by € 1.9 million in line with schedule. Other provisions went up by € 9.3 million compared to the end of the previous year, mainly as a result of the measurement of contingent liabilities in accordance with IFRS 3.

Income tax liabilities take account of advance payments made during the period, and went up by € 3.2 million during the three-month period.

Financial liabilities were reduced by € 179.4 million compared to December 31, 2011. During the quarter under report, the convertible bond totalling € 152.7 million was partially (€ 90.1 million) converted into shares of MTU Aero Engines Holding AG and the remainder (€ 62.6 million) redeemed. The maturity of the convertible bond on February 1, 2012 meant that financial liabilities were reduced by € 156.3 million compared to December 31, 2011. In addition, the fair value measurement of derivative financial instruments resulted in a reduction of € 25.0 million in derivative financial liabilities.

Trade payables stood at € 524.1 million at March 31, 2012 and were therefore € 68.6 million lower than at the end of the previous financial year.

Construction contract payables decreased compared to December 31, 2011 by € 5.3 million to € 709.7 million. Within that figure, advance payments from customers are reported as construction contract payables to the extent that they exceed construction contract receivables.

Other liabilities went up by € 28.9 million to € 275.7 million, mainly reflecting higher liabilities to employees during the year for vacation entitlements and holiday/Christmas pay.

Employees

At March 31, 2012 the group had a total of 8,280 employees (March 31, 2011: 7,975 employees).

4 Opportunity and risk report

In order to take best advantage of market opportunities and to recognize and manage related risks, the Board of Management has set up an integrated opportunity and risk management system, which is linked to the group's value-oriented performance indicators and its organizational structure. This system also incorporates the group's internal control system with respect to financial reporting processes pursuant to § 289 (5) and § 315 (2) no. 5 HGB. A detailed description of the main features of the system and the methods used is provided in the Annual Report 2011 (pages 115 to 117).

Opportunities

Thanks to its business model, with activities spread over the whole life-cycle of commercial and military engine programs, MTU considers that it is well positioned. MTU considers that a good system of opportunities management enables it to best use its future potential in the fields of development, series and spares part business and Commercial Maintenance business and that it will be able to respond quickly to the market's needs. MTU believes that the group's opportunities potential remains similar to that described in the Annual Report 2011. For a comprehensive description of the group's opportunities, reference is made to the Annual Report 2011, page 108 et seq. (Forecasts) and page 123 (SWOT analysis).

Risks

As part of its entrepreneurial activities and in view of the wide range of activities it undertakes with partner companies and consortium partner companies, especially in the USA, risks arise that may have an adverse impact on business and economic developments. As a result of its comprehensive risk management system, MTU knows its risk profile and is in a position to manage those risks actively.

MTU considers that there have been no significant changes in the risk profile discussed in the Annual Report 2011. Reference is made to pages 118 to 122 of the Annual Report 2011 for a detailed description of risks.

Overall conclusion regarding MTU's risk situation

There has been no significant change in the MTU Group's overall risk situation compared with the assessment made as at December 31, 2011. The risks to which the MTU Group is exposed are limited and manageable. From today's perspective, they do not pose any threat to the going concern status of the MTU Group.

6 Significant transactions with related parties (entities and individuals)

MTU Group companies did not enter into any material 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 parties are disclosed in section 32 of the Selected Explanatory Notes.

7 Subsequent Events

Events after the end of the reporting period (March 31, 2012)

There have been no significant events after the end of the interim reporting period (March 31, 2012) and prior to the date of authorization for issue of the Quarterly Financial Report on April 23, 2012.

Consolidated Income Statement

Q 1

		Jan. 1 - March 31, 2012		Jan. 1 - March 31, 2011		Change against previous year	
	(Note)	in € million	in %	in € million	in %	in € million	in %
Revenues	(6)	698.0	100.0	664.8	100.0	33.2	5.0
Cost of sales	(7)	-554.3	-79.4	-530.1	-79.7	-24.2	-4.6
Gross profit		143.7	20.6	134.7	20.3	9.0	6.7
Research and development expenses	(8)	-28.7	-4.1	-34.2	-5.1	5.5	16.1
Selling expenses	(9)	-18.0	-2.6	-17.0	-2.6	-1.0	-5.9
General administrative expenses	(10)	-16.7	-2.4	-15.0	-2.3	-1.7	-11.3
Other operating income and expenses		1.4	0.2	1.4	0.2		
Earning before interest and taxes (EBIT)		81.7	11.7	69.9	10.5	11.8	16.9
Interest income		0.4	0.1	0.8	0.1	-0.4	-50.0
Interest expenses		-1.2	-0.2	-5.3	-0.8	4.1	77.4
Interest result	(12)	-0.8	-0.1	-4.5	-0.7	3.7	82.2
Financial result on other items	(14)	-4.1	-0.6	-16.1	-2.4	12.0	74.5
Financial result		-4.9	-0.7	-20.6	-3.1	15.7	76.2
Earnings before taxes (EBT)		76.8	11.0	49.3	7.4	27.5	55.8
Income taxes	(15)	-22.8	-3.3	-15.8	-2.4	-7.0	-44.3
Earnings after taxes (EAT)		54.0	7.7	33.5	5.0	20.5	61.2
Earnings per share in €							
Undiluted (EPS)	(16)	1.07		0.69		0.38	55.1
Diluted (DEPS)	(16)	1.07		0.67		0.40	59.7

Consolidated Statement of Comprehensive Income

Q 1

		Jan. 1 - March 31, 2012		Jan. 1 - March 31, 2011		Change against previous year	
	(Note)	in € million	in %	in € million	in %	in € million	in %
Earnings after taxes (EAT)		54.0	7.7	33.5	5.0	20.5	61.2
Translation differences arising from the financial statements of international subsidiaries		0.1		-5.3	-0.8	5.4	
Net gains/losses on cash flow hedges		19.6	2.9	33.5	5.1	-13.9	-41.5
Net gains/losses on available-for-sale financial assets		0.1		-0.1		0.2	
Other comprehensive income after tax	(17)	19.8	2.9	28.1	4.3	-8.3	-29.5
Comprehensive income for the period		73.8	10.6	61.6	9.3	12.2	19.8

Consolidated Statement of Financial Position

Assets

in € million	(Note)	March 31, 2012	Dec. 31, 2011
Non-current assets			
Intangible assets	(18)	1,265.7	1,266.3
Property, plant and equipment	(19)	585.8	584.6
Financial assets	(20)	25.8	16.2
Other assets	(24)	4.3	5.1
Deferred tax assets		13.1	13.7
Total non-current assets		1,894.7	1,885.9
Current assets			
Inventories	(21)	850.8	823.8
Trade receivables	(22)	577.9	605.1
Contract production receivables	(23)	136.0	136.8
Income tax receivables		4.8	5.8
Financial assets	(20)	28.8	44.1
Other assets	(24)	14.2	34.2
Cash and cash equivalents	(25)	189.1	198.8
Prepayments		3.6	4.1
Total current assets		1,805.2	1,852.7
Total assets		3,699.9	3,738.6

Equity and Liabilities

in € million	(Note)	March 31, 2012	Dec. 31, 2011
Equity	(26)		
Subscribed capital		52.0	52.0
Capital reserves		379.1	340.9
Revenue reserves		676.2	622.2
Treasury shares		-40.5	-100.0
Accumulated other comprehensive income		10.8	-9.0
Total equity		1,077.6	906.1
Non-current liabilities			
Pension provisions		430.4	428.5
Other provisions	(27)	130.9	119.9
Financial liabilities	(28)	39.3	53.4
Other liabilities	(30)	127.5	133.0
Deferred tax liabilities		229.4	229.6
Total non-current liabilities		957.5	964.4
Current liabilities			
Pension provisions		28.5	28.5
Income tax liabilities		13.2	10.0
Other provisions	(27)	198.2	199.9
Financial liabilities	(28)	42.9	208.2
Trade payables		524.1	592.7
Contract production liabilities	(29)	709.7	715.0
Other liabilities	(30)	148.2	113.8
Total current liabilities		1,664.8	1,868.1
Total equity and liabilities		3,699.9	3,738.6

Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity								
in € million	Sub- scribed capital	Capital reserve	Revenue reserves	Treasury shares	Accumulated other comprehensive income Translation differences	Financial assets (Afs)	Derivative financial instruments	Group equity
Balance at January 1, 2011	52.0	348.2	517.6	-101.2	4.0	-0.1	-1.2	819.3
Earnings after taxes (EAT)			33.5					33.5
Other income and expenses recognized directly in equity					-5.3	-0.1	33.5	28.1
Comprehensive income for the period			33.5		-5.3	-0.1	33.5	61.6
Balance at March 31, 2011	52.0	348.2	551.1	-101.2	-1.3	-0.2	32.3	880.9
Balance at January 1, 2012	52.0	340.9	622.2	-100.0	5.2	-0.1	-14.1	906.1
Earnings after taxes (EAT)			54.0					54.0
Other income and expenses recognized directly in equity					0.1	0.1	19.6	19.8
Comprehensive income for the period			54.0		0.1	0.1	19.6	73.8
Conversion of convertible bond		38.0		59.5				97.5
Share Matching Plan (SMP)		0.2						0.2
Balance at March 31, 2012	52.0	379.1	676.2	-40.5	5.3		5.5	1,077.6

Reference is made to the disclosures on equity components provided in section 26 of the Selected Explanatory Notes.

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows		
in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Earnings after taxes (EAT)	54.0	33.5
Amortization and depreciation on intangible assets and property, plant and equipment	33.5	31.8
Gain/loss on disposal of assets	-0.1	-0.2
Change in pension provisions	1.9	1.9
Change in other provisions	9.3	53.1
Other non-cash items	-8.3	2.3
Movements in working capital		
Changes in inventories	-27.0	-16.3
Changes in trade receivables	27.2	84.3
Changes in contract production receivables and liabilities	-4.5	-25.8
Changes in other assets	21.3	9.6
Changes in trade payables	-68.6	-85.3
Changes in other liabilities	25.6	20.5
Net interest result	0.8	4.5
Interest paid	-2.6	-6.9
Interest received	0.5	0.6
Income taxes	22.8	15.8
Income taxes paid and received	-22.4	-29.4
Cash flow from operating activities	63.4	94.0
Disbursements for investments in:		
Intangible assets	-9.8	-6.3
Property, plant and equipment	-19.5	-16.2
Financial assets	-10.0	-45.1
Proceeds from disposals and disinvestiture of:		
Property, plant and equipment	0.1	0.3
Financial assets	30.0	15.5
Cash flow from investing activities	-9.2	-51.8
Proceeds (+)/repayments (-) other financial liabilities	1.5	2.0
Redemption of convertible bond *)	-62.6	
Cash flow from financing activities	-61.1	2.0
Effect of changes in exchanges rates on cash funds	-2.8	-5.9
Change in cash and cash equivalents	-9.7	38.3
Cash and cash equivalents at January 1	198.8	111.9
Cash and cash equivalents at March 31	189.1	150.2

*) During the quarter under report, the convertible bond totalling € 152.7 million was partially (€ 90.1 million) converted into shares of MTU Aero Engines Holding AG and the remainder (€ 62.6 million) redeemed.

Selected Explanatory Notes

Group Segment Information

Segment information

The activities of the MTU Group's operating segments are described in the Annual Report 2011 of MTU Aero Engines Holding AG. There have been no changes in the identification of reportable segments.

Segment information for the period from January 1 to March 31, 2012 was as follows:

Segment information Q1 2012					
	Commercial and Military Engine business	Commercial Maintenance business	Other Group Entities	Consolidation/ reconciliation	Group
in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2012
External revenues	405.5	292.5			698.0
Inter-segment revenues	6.6	0.7		-7.3	
Total revenues	412.1	293.2		-7.3	698.0
Gross profit	102.0	38.9		2.8	143.7
Amortization	11.1	2.1			13.2
Depreciation	15.0	5.3			20.3
Total amortization/depreciation	26.1	7.4			33.5
Earnings before interest and taxes (EBIT)	60.0	23.4	-3.5	1.8	81.7
Amortization/depreciation resulting from purchase price allocation	8.8	0.9			9.7
Adjusted earnings before interest and taxes (EBIT adjusted)	68.8	24.3	-3.5	1.8	91.4
Assets (March 31, 2012)	3,230.3	982.7	810.1	-1,323.2	3,699.9
Liabilities (March 31, 2012)	2,291.0	540.0	53.5	-262.2	2,622.3
Significant non-cash items *)	13.5	2.0	0.1		
Total capital expenditure on intangible assets and property, plant and equipment	23.3	8.9			32.2
Key segment data:					
EBIT in % of revenues	14.6	8.0			11.7
EBIT adjusted in % of revenues	16.7	8.3			13.1

*) Significant non-cash items mainly comprise changes to other provisions.

Segment information for the period from January 1 to March 31, 2011
was as follows:

Segment information Q1 2011

in € million	Commercial and Military Engine business	Commercial Maintenance business	Other Group Entities	Consolidation/ reconciliation	Group
	Jan. 1 - March 31, 2011	Jan. 1 - March 31, 2011	Jan. 1 - March 31, 2011	Jan. 1 - March 31, 2011	Jan. 1 - March 31, 2011
External revenues	414.1	250.7			664.8
Inter-segment revenues	6.9	0.9	1.8	-9.6	
Total revenues	421.0	251.6	1.8	-9.6	664.8
Gross profit	99.1	34.6	1.8	-0.8	134.7
Amortization	10.6	2.0			12.6
Depreciation	13.9	5.3			19.2
Total amortization/depreciation	24.5	7.3			31.8
Earnings before interest and taxes (EBIT)	50.8	19.6	-0.8	0.3	69.9
Amortization/depreciation resulting from purchase price allocation	9.7	0.9			10.6
Adjusted earnings before interest and taxes (EBIT adjusted)	60.5	20.5	-0.8	0.3	80.5
Assets (Dec. 31, 2011)	3,258.3	967.9	873.1	-1,360.7	3,738.6
Liabilities (Dec. 31, 2011)	2,381.4	538.0	211.5	-298.4	2,832.5
Significant non-cash items *)	52.9	1.5	0.1		
Total capital expenditure on intangible assets and property, plant and equipment	68.6	5.6			74.2
Key segment data:					
EBIT in % of revenues	12.1	7.8	-44.4		10.5
EBIT adjusted in % of revenues	14.4	8.1	-44.4		12.1

*) Significant non-cash items mainly comprise changes to other provisions.

The following table reconciles group segment revenues to group revenues, the adjusted segment result (EBIT adjusted) to group earnings before tax (EBT) and segment assets/liabilities to group assets/liabilities:

Reconciliation of revenues and earnings

in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Total revenues		
Revenues of reportable segments	705.3	674.4
Consolidation	-7.3	-9.6
Group revenues	698.0	664.8
Adjusted earnings before interest and taxes (EBIT adjusted)		
Adjusted EBIT of reportable segments	89.6	80.2
Write-down on assets resulting from purchase price allocation	-9.7	-10.6
Consolidation	1.8	0.3
Earnings before interest and taxes (EBIT)	81.7	69.9
Interest income	0.4	0.8
Interest expense	-1.2	-5.3
Other financial result	-4.1	-16.1
Earnings before taxes (EBT)	76.8	49.3

Reconciliation of assets and liabilities

in € million	March 31, 2012	Dec. 31, 2011
Assets		
Assets of reportable segments	5,023.1	5,099.3
Consolidation	-1,323.2	-1,360.7
Group assets	3,699.9	3,738.6
Liabilities		
Liabilities of reportable segments	2,884.5	3,130.9
Consolidation	-262.2	-298.4
Group liabilities	2,622.3	2,832.5

Information on geographical regions

The following tables show figures for the group by geographical region:

Revenues by seat of customer

in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Germany	113.6	113.8
Europe	68.7	80.3
North America	427.9	402.2
South America	26.2	17.8
Africa	2.5	1.7
Asia	54.2	45.8
Australia/Oceania	4.9	3.2
	698.0	664.8

Capital expenditure on intangible assets and property, plant and equipment

in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Germany	28.0	72.7
Europe	2.1	1.1
North America	1.2	0.3
South America		
Africa		
Asia	0.9	0.1
Australia/Oceania		
	32.2	74.2

Non-current assets

in € million	March 31, 2012	Dec. 31, 2011
Germany	1,771.0	1,764.3
Europe	55.7	51.0
North America	27.4	28.4
South America		
Africa		
Asia	40.6	42.2
Australia/Oceania		
	1,894.7	1,885.9

Non-current assets comprise intangible assets, property, plant and equipment, financial assets, other assets and deferred tax assets.

1 General disclosures

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

The business activities of the Group encompass 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 and Military Engine business covers the development and production of modules, components and spare parts for engine programs, including final assembly. MTU also provides maintenance services for military engines. The Commercial Engine Maintenance segment covers activities in the area of maintenance and logistical support for commercial engines.

MTU Aero Engines Holding AG has its headquarters at Dachauer Str. 665, 80995 Munich, Germany, and is registered under HRB 157206 in the Commercial Registry at the District Court of Munich.

The Condensed Interim Consolidated Financial Statements were authorized for publication by the Board of Management of MTU Aero Engines Holding AG on April 23, 2012.

2 Basis of preparation

In compliance with the provisions of § 37x (3) of the German Securities Trading Act (WpHG) in conjunction with § 37w and § 37y no. 2 WpHG, MTU’s Quarterly Financial Report comprises Condensed Interim Consolidated Financial Statements and an Interim Group Management Report. 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 March 31, 2012 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, 2011. The same accounting policies have been applied as in the Consolidated Financial Statements for the financial year 2011.

All of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), applicable at the end of the reporting period and 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 Quarterly Financial Report contains all customary accounting adjustments necessary for a fair presentation of the operating results, financial situation and net assets of the group. Reference is made to the notes to the Consolidated Financial Statements as at December 31, 2011 for further information regarding the basis of preparation and accounting policies used.

4 Adjustments to the Condensed Interim Consolidated Financial Statements

There were no other changes in estimates or forecasts in the first three months of the financial year 2012 which have a significant impact on the interim reporting period. No incidences of erroneous assessments made in earlier periods were identified during the interim reporting period which would require to be disclosed.

5 Consolidated companies

There were no changes in the group reporting entity in the reporting period as a result of acquisitions or disinvestments, changes in shareholdings or similar corporate transactions/events. The number of subsidiaries and investments in associated companies and joint ventures included in the Condensed Interim Consolidated Financial Statements has therefore not changed by comparison to December 31, 2011.

The MTU Group comprised (including MTU Aero Engines Holding AG, Munich) 26 entities at March 31, 2012. A list of major shareholdings is provided in the notes to the Consolidated Financial Statements in the Annual Report 2011, note 43.1.2.

Notes to the Consolidated Income Statement

6 Revenues

Revenues		
in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Commercial Engine business	296.8	309.6
Military Engine business	115.3	111.4
Commercial and Military Engine business (OEM)	412.1	421.0
Commercial Maintenance (MRO)	293.2	251.6
Other Group Entities/consolidation	-7.3	-7.8
Total revenues	698.0	664.8

7 Cost of sales

Cost of sales		
in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Cost of materials	-449.9	-425.1
Personnel expenses	-104.9	-101.9
Depreciation and amortization	-29.7	-28.3
Other cost of sales *)	30.2	25.2
Total cost of sales	-554.3	-530.1

*) relates mainly to change in inventories of work in progress, exchange rate factors and changes in provisions

8 Research and development expenditure

Research and development expenditure		
in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Cost of materials	-14.2	-20.0
Personnel expenses	-23.4	-18.4
Depreciation and amortization	-2.2	-2.0
Research and development expenditure	-39.8	-40.4
Thereof capitalized:		
Development costs (OEM)	11.0	5.3
Development costs (MRO)	0.1	0.9
Capitalized development costs	11.1	6.2
Research and development expenditure recognized as expense	-28.7	-34.2

9 Selling expenses

Selling expenses		
in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Cost of materials	-2.1	-2.0
Personnel expenses	-13.1	-12.2
Depreciation and amortization	-0.6	-0.5
Other selling expenses	-2.2	-2.3
Total selling expenses	-18.0	-17.0

Selling expenses comprise mainly marketing, advertising and sales personnel costs as well as the expense for allowances on, and write-offs of, customer receivables.

10 General administrative expenses

General administrative expenses		
in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Cost of materials	-1.7	-1.4
Personnel expenses	-10.8	-10.7
Depreciation and amortization	-1.0	-1.0
Other administrative expenses	-3.2	-1.9
Total general administrative expenses	-16.7	-15.0

General and administrative expenses comprise expenses for administration which are not attributable to development, production or sales functions.

12 Interest result

Interest result		
in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Interest income	0.4	0.8
Interest expenses		
Bank interest	-0.9	-0.8
Interest expense for bonds	-0.4	-2.0
Interest expense for finance leases	-0.1	-0.3
Other interest expenses	-0.3	-2.2
Capitalized borrowing costs for qualifying assets	0.5	
Interest expenses	-1.2	-5.3
Net interest expense	-0.8	-4.5

14 Financial result on other items

Result from equity accounted investments		
in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Effects of changes of foreign exchange rates		
Exchange rate gains/losses on currency holdings	-2.9	-8.5
Exchange rate gains/losses on financing transactions		0.3
Exchange rate gains/losses on finance leases	0.1	0.2
Fair value gains/losses on derivatives		
Gains/losses on currency derivatives and interest rate derivatives	9.7	2.7
Gains/losses on commodity contracts	-0.2	0.5
Interest portion included in measurement of assets and liabilities		
Pension provision	-6.2	-5.5
Contingent liabilities	-2.9	-2.6
Receivables, other provisions, plan assets, liabilities and advance payments received	-1.8	-1.8
Result from other financial instruments	0.1	-1.4
Financial result on other items	-4.1	-16.1

The improvement in financial result from other items for the first quarter 2012 was primarily attributable to the mostly positive impact of the period-end measurement of currency holdings on the one hand and currency/interest rate derivative instruments on the other.

15 Income taxes

Income tax expense comprised the following:

Income taxes		
in € million	Jan. 1 - March 31, 2012	Jan. 1 - March 31, 2011
Current income tax expense/income	-26.6	-20.4
Deferred tax income/expense	3.8	4.6
Total income taxes	-22.8	-15.8

16 Earnings per share

During the period from January 1 to March 31, 2012 there was no longer any dilutive effect on earnings per share from potential ordinary shares in conjunction with the convertible bond originally issued on February 1, 2007 and which matured on February 1, 2012.

Similarly, there as no longer any dilutive effect on earnings per share from the Matching Stock Program set up on June 6, 2005 since the program expired in 2011.

In the meantime, therefore, a dilutive effect arises only in conjunction with the Share Matching Plan set up for the first time with effect from the beginning of 2010.

For the purposes of determining diluted earnings per share, the number of shares that could have been exercised during the first quarter 2011 in conjunction with conversion rights and the grant of equity capital instruments was 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. Group earnings for the first quarter 2011 were 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 effect of potentially issuable shares.

Undiluted and diluted earnings per share for the three-month periods ended March 31, 2012 and 2011 were as follows:

Undiluted and diluted earnings per share 2012

		Jan. 1 - March 31, 2012					Jan. 1 - March 31, 2012
		Undiluted earnings per share	Financial instruments reconciliation				Diluted earnings per share
			Interest expense convertible bond**)/shares	Current and deferred taxes**)	Matching Stock Program/ number of shares	Share Matching Plan*)/number of shares	
Earnings after taxes (EAT)	in € million	54.0	0.0	0.0			54.0
Weighted average number of shares	shares	50,632,685	0		0	20,922	50,653,607
Earnings per share	in €	1.07					1.07

*) Deferred share-based compensation for members of the Board of Management

**) Following conversion/redemption of bond as at February 1, 2012, there were no longer any dilutive effects as at March 31, 2012.

Undiluted and diluted earnings per share 2011

		Jan. 1 - March 31, 2011					Jan. 1 - March 31, 2011
		Undiluted earnings per share	Financial instruments reconciliation				Diluted earnings per share
			Interest expense convertible bond/shares	Current and deferred taxes	Matching Stock Program/ number of shares	Share Matching Plan*)/number of shares	
Earnings after taxes (EAT)	in € million	33.5	2.0	-0.7			34.8
Weighted average number of shares	shares	48,752,407	3,084,849		208,490	7,024	52,052,770
Earnings per share	in €	0.69					0.67

*) Deferred share-based compensation for members of the Board of Management

17 Consolidated statement of comprehensive income

In the consolidated statement of comprehensive income, earnings after taxes (EAT) of € 54.0 million (January - March 2011: € 33.5 million) are reconciled to the comprehensive income for the period of € 73.8 million (January - March 2011: € 61.6 million).

Income and expenses recognized directly in equity during the quarter under report (net of deferred taxes) comprise a positive impact of € 19.6 million (January - March 2011: € 33.5 million) from the fair value measure-

ment of derivative financial instruments, a positive impact of € 0.1 million (January - March 2011: negative impact of € 5.3 million) from the currency translation of the financial statements of foreign subsidiaries and a positive impact of € 0.1 million (January - March 2011: negative impact of € 0.1 million) resulting from fair value losses on available-for-sale financial assets.

Notes to the Consolidated Statement of Financial Position

18 Intangible assets

Intangible assets comprise capitalized program values and non-specific program technologies, participations in development programs, technical software and purchased goodwill.

A total of € 12.6 million of intangible assets was capitalized in the first quarter 2012 (January - March 2011: € 58.0 million). Included in this figure for the Commercial Engine business segment are internally generated and bought-in development work for the new engine (PW1100G) for the A320 family amounting to € 10.0 million (January - March 2011: € 2.8 million).

In addition, internally generated development work was also capitalized in the first quarter 2012 in the Military Engine business segment for the GE38 engine program amounting to € 1.3 million (January - March 2011: € 1.9 million). Expenditure of € 0.1 million (January - March 2011: € 0.9 million) was also capitalized in the first quarter 2012 in connection with the rationalization of production processes and cost optimization of repair techniques in the Commercial Maintenance business segment.

Capitalized intangible assets totalling € 12.6 million (January - March 2011: € 58.0 million) comprise € 4.0 million (January - March 2011: € 51.8 million) of purchased and € 8.6 million (January - March 2011: € 6.2 million) of internally generated intangible assets. The amortization expense for the three-month period amounted to € 13.2 million (January - March 2011: € 12.6 million).

19 Property, plant and equipment

Capital expenditure for property, plant and equipment during the first three months of the year was € 19.6 million (January - March 2011: € 16.2 million). Additions to property, plant and equipment related mainly to plant and other operational and office equipment, payments on account and assets under construction. The depreciation expense for the three-month period amounted to € 20.3 million (January - March 2011: € 19.2 million).

20 Financial assets

Financial assets decreased overall by € 5.7 million during the first three months of 2012 to € 54.6 million (December 31, 2011: € 60.3 million). The decrease was primarily due to the sale of financial assets held as a liquidity reserve and, working in the opposite direction, to higher fair values of derivative assets.

21 Inventories

Inventories comprise the following:

Inventories		
in € million	March 31, 2012	Dec. 31, 2011
Raw materials and supplies	358.5	349.6
Work in progress	449.6	422.7
Advance payments	42.7	51.5
Total inventories	850.8	823.8

22 Trade receivables

Trade receivables comprise the following:

Trade receivables		
in € million	March 31, 2012	Dec. 31, 2011
Third parties	545.1	577.4
Associated companies, joint ventures and other investee companies	32.8	27.7
Total trade receivables	577.9	605.1

23 Contract production receivables

Contract production receivables comprise the following:

Contract production receivables		
in € million	March 31, 2012	Dec. 31, 2011
Contract production receivables	488.2	469.5
of which related to:		
Advance payments from customers	-352.2	-332.7
Net contract production receivables	136.0	136.8

24 Other assets

Other assets comprise the following:

Other assets						
in € million	Total		Non-current		Current	
	March 31, 2012	Dec. 31, 2011	March 31, 2012	Dec. 31, 2011	March 31, 2012	Dec. 31, 2011
Other taxes	4.4	15.8			4.4	15.8
Receivables from employees	1.4	1.3			1.4	1.3
Receivables from suppliers	1.3	2.7			1.3	2.7
Sundry other assets	11.4	19.5	4.3	5.1	7.1	14.4
Total other assets	18.5	39.3	4.3	5.1	14.2	34.2

Other taxes relate primarily to value added tax receivables.

25 Cash and cash equivalents

Cash and cash equivalents comprise the following:

Cash and cash equivalents		
in € million	March 31, 2012	Dec. 31, 2011
Sight deposits and cash	81.2	33.1
Overnight and fixed term deposits *)	107.9	165.7
Total cash and cash equivalents	189.1	198.8

*) with a remaining term of up to 3 months

MTU cannot freely access cash and cash equivalents amounting to € 12.2 million (December 31, 2011: € 11.6 million) held by MTU Maintenance Zhuhai Co. Ltd., Zhuhai, China.

26 Equity

Changes in equity are presented in the Consolidated Statement of Changes in Equity.

26.1 Subscribed capital

The Company's share capital amounts to € 52.0 million (December 31, 2011: € 52.0 million) and is divided into non par-value 52.0 million shares (December 31, 2011: 52.0 million shares).

26.2 Capital reserves

Capital reserves include premiums arising on the issue of shares, the equity component (reduced by proportionate transaction costs) of the convertible bond issued in 2007 and converted/redeemed during the first quarter 2012, the fair values recorded for the Matching Stock Program and Share Matching Plan as well as the difference arising without income statement effect on transferring treasury shares to employees in conjunction with the Employee Stock Program.

Matching Stock Program (MSP)

In order to strengthen its ability to achieve business targets, the Group created the 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". The fair value of the Phantom Stocks was recognized on a time-apportioned basis as personnel expense and, at the same time, within equity (capital reserves) until the exercise date. The MSP expired in 2011.

Share Matching Plan (SMP)

A detailed description of the SMP is provided in the Management Compensation Report section of the Corporate Governance Report in the Annual Report 2011. Members of the Board of Management are entitled to invest the amount to be disbursed under the Performance Share Plan (PSP) in shares of MTU Aero Engines Holding AG, which must then be held for a further three years. At the end of the vesting period, these shares are "matched", whereby each Board of Management member is awarded one additional free share for every three MTU shares held. The entitlement to additional

free shares is deemed to have been fulfilled once the corresponding number of such shares has been transferred to the member of the Board of Management. The total value of the matching shares available for allocation at the end of the vesting period is limited to three times the initial purchase price.

Senior Managers of MTU

With effect from January 1, 2011, MTU expanded the Share Matching Plan (SMP) it had introduced in the previous year for members of the Board of Management to include the two top tiers of senior managers (OFK and FK) at the company and its subsidiaries.

Tier-1 Senior managers (OFK)

In accordance with the conditions of the plan, tier-1 senior managers may, after expiry of each three-year PSP vesting period, use the benefits payable under the PSP (LTI) and the Annual Performance Bonus (STI) to invest in shares of MTU Aero Engines Holding AG, which must then be held for a further two years under the terms of the supplementary plan, the Share Matching Plan (SMP). At the end of this supplementary vesting period, on condition that the SMP participant is still employed by MTU, this investment is matched by a cash payment corresponding to one third of the amount invested in MTU shares. The total investment qualifying tier-1 senior managers to receive a matching payment under the SMP is limited to a maximum of € 60,000 per eligible manager.

Tier-2 Senior managers (FK)

In accordance with the conditions of the plan, tier-2 senior managers may, after expiry of each two-year PSP vesting period, use the benefits payable under the PSP (LTI) and the Annual Performance Bonus (STI) to invest in shares of MTU Aero Engines Holding AG, which must then be held for a further two years under the terms of the supplementary plan, the Share Matching Plan (SMP). At the end of this supplementary vesting period, on condition that the SMP participant is still employed by MTU, this investment is matched by a cash payment corresponding to one third of the amount invested in MTU shares. The total investment qualifying tier-2 senior managers to receive a matching payment under the SMP is limited to a maximum of € 30,000 per eligible manager.

Employee Stock Program (MAP)

In the second quarter 2011 (previous year: second quarter 2010), the Board of Management of MTU Aero Engines Holding AG allocated shares to group employees under an Employee Stock Program ("MAP"). Each of these two plans runs for two years, with the plan set up in 2011 expiring in June 2013 (previous year: plan set up in 2010 expiring in June 2012). The purchase price for registered shares of MTU Aero Engines Holding AG is based on the lowest price quoted on April 13, 2011 (acquisition date) and was thus € 48.10 per share (previous year: € 42.58 per share). Under the terms of the MAP Employee Stock Program, MTU has given a commitment to make a matching payment 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 total first-quarter cost incurred for the match in conjunction with the MAP was € 0.6 million (January - March 2011: € 0.3 million) which is being recognized as an expense on a time-apportioned basis over the term of the program. The liability at March 31, 2012 amounted to € 3.0 million (December 31, 2011: € 2.4 million).

26.3 Revenue reserves

Revenue reserves comprise the retained earnings of consolidated group companies, and earnings after taxes for the first three months of 2012 amounting to € 54.0 million (January - March 2011:

€ 33.5 million). Revenue reserves increased during the period from January 1 to March 31, 2012 correspondingly.

26.4 Treasury shares

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 March 31, 2012, the issue of shares to group employees in conjunction with the exercise of the Matching Stock Program and the Employee Stock Program in the financial years 2007 to 2011 and the exercise of conversion rights attached to the convertible bond, the weighted average number of shares in circulation during the first three months of 2012 was 50,632,685 shares (January - March 2011: 48,752,407 shares). At the end of the reporting period, a total of 50,632,685 MTU Aero Engines Holding AG shares was in issue (March 31, 2011: 48,752,407 shares). The treasury shares were acquired to enable the group to meet contractual obligations relating to convertible bonds and to issue shares to group employees in conjunction with the Matching Stock Program, the Share Matching Plan and the Employee Stock Program.

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

Reconciliation to weighted, average number of shares in circulation

Number of shares	2012		2011			
	in circulation	Treasury shares	in circulation	in circulation	Treasury shares	in circulation
Balance at January 1	48,812,488	3,187,512		48,752,407	3,247,593	
Buyback and issue of shares						
January	48,812,488	-1,820,197	50,632,685	48,752,407		48,752,407
February	50,632,685		50,632,685	48,752,407		48,752,407
March	50,632,685		50,632,685	48,752,407		48,752,407
Treasury shares (March 31)		1,367,315			3,247,593	
Weighted average at March 31			50,632,685			48,752,407

27 Other provisions

Other provisions comprise primarily personnel-related obligations and potential contractual warranty obligations. Provisions for pending losses on onerous contracts relate to unchanged risks concerning the order backlog for commercial engine maintenance business.

At March 31, 2012 contingent liabilities relating to business combinations totalled € 114.0 million (December 31, 2011: € 102.8 million).

28 Financial liabilities

All non-derivative and derivative financial obligations at the relevant balance sheet are reported as financial liabilities. Financial liabilities comprise the following:

Financial liabilities						
in € million	Total		Non-Current		Current	
	March 31, 2012	Dec. 31, 2011	March 31, 2012	Dec. 31, 2011	March 31, 2012	Dec. 31, 2011
Bonds						
Convertible bond		152.5				152.5
Interest liability on convertible bond		3.8				3.8
Liabilities to banks						
Promissory notes	26.0	25.6	11.5	11.5	14.5	14.1
Other liabilities to banks	33.3	34.4	19.8	20.4	13.5	14.0
Liabilities to related companies *)	2.8				2.8	
Other financial liabilities						
Finance lease liabilities	3.7	3.9	0.1	0.1	3.6	3.8
Derivative financial liabilities	16.4	41.4	7.9	21.4	8.5	20.0
Total financial liabilities	82.2	261.6	39.3	53.4	42.9	208.2

*) MTU Versicherungsvermittlungs- und Wirtschaftsdienst GmbH, Munich, which is not consolidated on the grounds of materiality

Convertible bond

MTU Aero Engines Finance B.V., Amsterdam, Netherlands, 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 partial convertible bonds (before maturity date) with a nominal volume of € 27.2 million. During the first quarter 2012, the remaining convertible bond totalling € 152.7 million was partially (€ 90.1 million) converted into shares of MTU Aero Engines Holding AG and the remainder (€ 62.6 million) redeemed. Further information is provided in the notes to the Consolidated Financial Statements in the Annual Report 2011 (Note 33, Financial liabilities).

Revolving Credit Facility (RCF)

At March 31, 2012, the MTU Group has access to an overdraft facility of € 100.0 million with two banks.

Of these credit facilities, € 11.4 million (December 31, 2011: € 12.4 million) were being utilized at March 31, 2012 for guarantees. Interest on credit lines actually drawn down is charged on the basis of customary interest reference rates plus a margin. A commitment fee is paid on credit facilities which are not being utilized.

Promissory notes

Of the four promissory notes placed on June 3, 2009 with a nominal amount of € 65.0 million (less transaction costs of € 0.4 million), MTU bought back € 30.0 million on June 7, 2010 and € 10.0 million on December 6, 2010, leaving notes outstanding at June 30,

2011 with a nominal value of € 25.0 million. The promissory notes comprise the following tranches which fall due for payment at their maturity date:

Promissory notes					
Maturity	Interest rate type	Original note amount (nominal) in € million	Buy-back June 7, 2010 in € million	Buy-back December 6, 2010 in € million	Remaining note amount (nominal) in € million
June 5, 2012	fixed	1.5			1.5
June 5, 2014	fixed	11.5			11.5
June 5, 2012	variable *)	27.0	15.0		12.0
June 5, 2014	variable *)	25.0	15.0	10.0	
		65.0	30.0	10.0	25.0

*) 6-month Euribor plus margin

At subsequent reporting dates, they are measured at amortized cost.

29 Contract production liabilities

Contract production liabilities comprise the following:

Contract production liabilities		
in € million	March 31, 2012	Dec. 31, 2011
Advance payments received for contract production	1,061.9	1,047.7
of which relating to:		
Contract production receivables	-352.2	-332.7
Total contract production liabilities	709.7	715.0

Advance payments received relate mainly to military engine program participations. Any surplus of advance payments received over contract production receivables with a remaining term of more than 12 months are discounted to their present value.

30 Other liabilities

Other liabilities comprise the following items:

Other liabilities						
in € million	Total		Non-Current		Current	
	March 31, 2012	Dec. 31, 2011	March 31, 2012	Dec. 31, 2011	March 31, 2012	Dec. 31, 2011
Liabilities relating to employees						
Social security	3.7	2.6			3.7	2.6
Part-time pre-retirement working arrangements	22.9	23.0	18.8	18.9	4.1	4.1
Other	59.0	38.2	4.0	3.6	55.0	34.6
Accrued interest expense	17.1	16.6	17.1	16.6		
Maintenance work still to be performed on engines	4.6	4.3	4.6	4.3		
Repayment of grants towards development costs	56.6	58.0	55.3	55.3	1.3	2.7
Sundry other liabilities	104.8	97.6	27.7	34.3	77.1	63.3
Other taxes	7.0	6.5			7.0	6.5
Total other liabilities	275.7	246.8	127.5	133.0	148.2	113.8

Personnel-related obligations

Social security liabilities relate mainly to contributions to employees' accident insurance associations amounting to € 2.0 million (December 31, 2011: € 1.9 million) and liabilities to health insurance agencies amounting to € 1.7 million (December 31, 2011: € 0.7 million).

TV FlexÜ, a collective agreement on flexible transition into retirement, came into effect in the German collective bargaining regions in 2010. In addition, each of the MTU group companies in Germany entered into a supplementary agreement with the Works Council, effective until December 31, 2016, which supersedes the collective bargaining agreement. Within the scope of the agreed terms for pre-retirement part-time working arrangements, agreements

on top-up and severance payments were concluded with employees at the level of the group's German companies. At March 31, 2012, the liabilities associated with these obligations amounted to € 22.9 million (December 31, 2011: € 23.0 million).

Other liabilities to employees comprise vacation entitlements, flexi-time credits, obligations arising from pre-retirement part-time working arrangements and obligations arising from efficiency improvement programs in prior periods. This item also includes liabilities to group employees under the MAP employee stock option program amounting to € 3.0 million (March 31, 2011: € 2.4 million). Additional information concerning the MAP employee stock option program is provided in Note 26.2 (Capital reserves).

Accrued interest expense

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 and the deferred interest recognized as a liability within other liabilities until the engine is delivered. Accrued interest expense of € 17.1 million (December 31, 2011: € 16.6 million) relates to advance payments received for long-term military construction contracts.

Outstanding maintenance work on engines

These non-current liabilities relate to outstanding maintenance work on the current fleet of five operating lease engines.

Repayment of grants towards development costs

In the financial years 1976 to 1991, MTU received grants towards the internally generated costs of developing the PW2000 engine from the German Federal Ministry of Economics and Technology which were recognized in the income statement. Once the contractually agreed sales figures of PW2000 production engines have been reached for the Boeing 757 and C-17, MTU is obliged to pay back the grants (government subsidy of development costs) within a timeframe of ten years. Owing to strong demand for engines in the C-17 military application, the threshold was reached and a liability was recognized for the expense for the first time in the financial year 2010. The first installment of the repayment amounting to € 0.7 million was made in the financial year 2011. The second installment of € 1.4 million was paid during the first quarter 2012.

Sundry other liabilities

Sundry other liabilities amounted to € 104.8 million and comprise mainly to purchased development work for the PW1524G engine program for the CSeries regional jet amounting to € 18.7 million (December 31, 2011: € 19.3 million), the PW1217G engine for the MRJ amounting to € 15.0 million (December 31, 2011: € 15.5 million), and liabilities arising from the stake in the PW1100G program for the A320neo amounting to € 50.2 million (December 31, 2011: € 46.5 million), plus a multitude of minor individual obligations.

Other taxes

Other taxes amounting to € 7.0 million (December 31, 2011: € 6.5 million) relate primarily to payroll and church taxes and solidarity surcharges.

32 Related party transactions

Transactions with related entities

Transactions with related entities are undertaken as part of the group's ordinary operating activities, buying and selling various products and services on an arm's length basis.

Proportionately consolidated entity (MTU Maintenance Zhuhai)

There were no trade receivables due from MTU-Zhuhai at either March 31, 2012 or December 31, 2011. Trade payables with this entity totalled € 0.7 million (December 31, 2011: € 3.6 million). Income recognized during the first three months of 2012 totalled € 0.2 million (January - March 2011: € 0.5 million) with expenses totalling € 3.3 million (January - March 2011: € 6.7 million).

Entities accounted for at equity and at cost

Entities accounted for at equity and at cost are disclosed in note 43.1.2 (Major shareholdings) of the Annual Report for the year ended December 31, 2011. Trade receivables at March 31, 2012 amounted to € 32.8 million (December 31, 2011: € 27.7 million). Trade payables with this entity totalled € 67.3 million (December 31, 2011: € 95.5 million). Income recognized during the three-month period under report amounted to € 201.2 million (January-March 2011: € 210.1 million), with expenses totalling € 107.7 million (January-March 2011: € 92.6 million).

Transactions with related individuals

MTU Group companies did not enter into any material 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.

33 Contingent liabilities and other financial commitments

Contingent liabilities and other financial obligations at March 31, 2012 amounted to € 112.6 million (December 31, 2011: € 110.7 million). Contingent liabilities and other financial obligations are not material to the MTU Group. As in previous periods, with the exception of lease payments, no amounts fell due for payment during the period under report. Similarly, no amounts are expected to be paid for the financial year 2012. Information regarding the composition and nature of contingent liabilities and other financial obligations is provided in the notes to the consolidated financial statements in the Annual Report 2011 (Note 42).

At March 31, 2012 purchase commitments for intangible assets and property, plant and equipment amounted to € 30.9 million (December 31, 2011: € 33.4 million).

34 Events after the end of the reporting period (March 31, 2012)

There have been no significant events after the end of the interim reporting period (March 31, 2012) and prior to the date of authorization for issue of the Quarterly Financial Report on April 23, 2012.

35 Publication of the Quarterly Financial Report

The Quarterly Financial Report of MTU Aero Engines Holding AG, Munich, for the period from January 1 to March 31, 2012 was published on the Internet on April 25, 2012.

Financial Calendar

Telephone conference on first quarter 2012 earnings	April 25, 2012
MTU Annual General Meeting for the financial year 2011	May 3, 2012
Telephone conference on first half-year 2012 earnings	July 25, 2012
Telephone conference on third quarter 2012 earnings	October 23, 2012
MTU analysts and investors conference 2012	November 27, 2012

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Translation

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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



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