

Tognum

HOME OF POWER BRANDS

mtu Engines

Tognum Onsite Energy Systems

Tognum Components

H1/Q2 2008 Results

Tognum Analyst Call

Friedrichshafen/Germany, August 12, 2008

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This presentation includes certain forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes", "estimates", "anticipates", "expects", "assumes", "predicts", "intends", "may", "will" or "should", and similar expressions. Such forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements do not represent any guarantees of future performance. Tognum's actual results of operations, including its financial condition and profitability as well as the development of the general economic conditions in which it operates, may differ materially from (and be more negative than) those made in or suggested by the forward-looking statements contained in this presentation.

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Outlook and strategic summary

Volker Heuer
Chairman of the Executive Board and CEO

Outlook FY 2008

Adj. EPS target confirmed at >€2.00

	2007 Actual	2008 Guidance Plan 12/07 - 05/08	2008 Outlook Update 08/08
Avg. USD/EUR fx rate*	1.37 \$/€	1.38\$/€ - 1.45 \$/€	1.55 \$/€
Market growth diesel engines	~8 %	6.5–7.0 %	~7 %
Market growth OES business	~9.5 %	8.0–9.0 %	~8 %
Revenue (growth rate)	€2.835m / 11.8 %	11–13 %	≥ 11 %
Return on Sales (adj.)	€390m / 13.8 %	13–15 %	≥ 13 %
Earnings per share (adj.)	€ 1.58	+25 % to >€ 2.00	+25 % to >€ 2.00

* Tognum estimates based on banks consensus

Resilient business model succeeds in challenging environment

Guidance confirmed despite currency and cost headwinds

USD weakness

Rising input costs

**Business units realignment,
Rotorion spin-off**

Management of mitigating factors:

+++ Flexible hedging policy +++ Price increases 2008 and 2009 +++ 2008 sourcing secured for higher volume +++ TOP program execution +++ Increasing global sourcing & production +++

Uniquely balanced portfolio

Split by region



Split by end markets



Split by sub-application



- Balanced geographical split
- Diversified product and production mix
- ~22 different subapplications
- Flexible production and allocation set-up

Strategic growth initiatives

Portfolio



After-Sales



Asia/China



PG/OES

- Financially attractive end markets
- Long-term growth perspectives
- Turning established positioning into sustainable earnings growth

Strategic growth initiatives

Review of YTD 2008 measures

Product portfolio

- JV w/ Hug for exhaust gas after treatment
- Delivered propulsion system for the world's cleanest Diesel locomotive
- Upgraded "Iron Man" (16V4000) for workboats to higher power output at even lower fuel consumption
- First "HotModule Hybrid" offered, a cogeneration heat/power unit based on gas engine and fuel cell

After Sales

- Spare parts centre for improved availability and reduced response times
- SKL expands remanufacturing business for MTU, expecting major order for PowerGen engines
- Malaysian JV for Asian remanufacturing centre
- Strengthening European distribution and after sales

Asia & China strategy

- Development & production JV concluded and subsidiary established
- First major NPP contracts expected in 2008
- Growing demand of premium engines for Chinese market, e.g. Industrial and PowerGen
- Growing export of engines from Asia into other regions, e.g. PowerGen

PowerGen/Onsite Energy Systems

- New organization structure implemented effective July 1st; reporting to change per January 1, 2009
- R&D for gas engines to enable all engine versions for PowerGen applications
- Initiative to further build out diesel systems
- Increased capacity at Katolight installed, preparation for export (50Hz) in 2009

Further expansion of manufacturing capacity to secure growth, flexibility and localisation

Investment rationale

- Added capacity in 2008 >25% higher than in 2006
- In 2007/2008, Tognum grows faster than expected
- In 2009, max. utilization again incl. 3-shift operation and extended Sunday work in bottleneck areas
- Decision taken to further expand capacity now in order to meet market demand in 2010

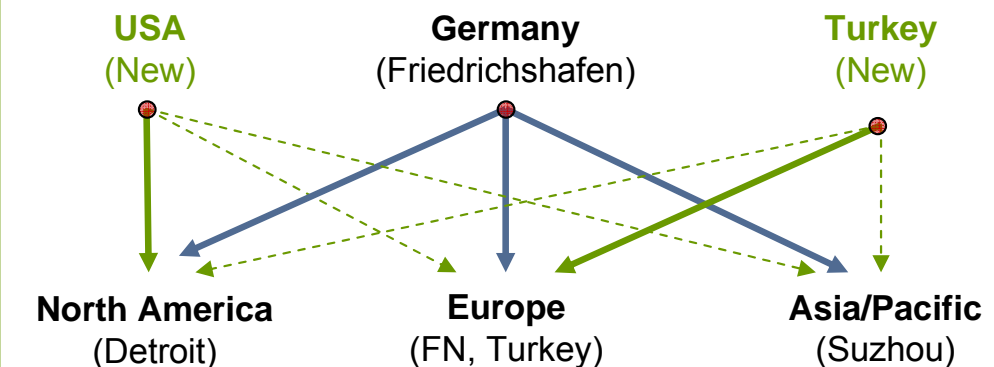
Focus on internationalization

- Install manufacturing capacity first-time outside Germany and increase global sourcing
- Transition to flexible manufacturing sites
- Increase local content to further improve sales (e.g. governmental projects) and natural hedging
- Strengthening competitiveness (efficiency, wages)

Implementation

- Install components manufacturing in Turkey at existing facility
- Selection of new site in USA as first step to built-up components manufacturing in the USD area
- Increase manufacturing capacity in Germany for key components
- Expansion of local sourcing in respective regions

Internationalization of components manufacturing



Existing global assembly footprint

↓ Existing

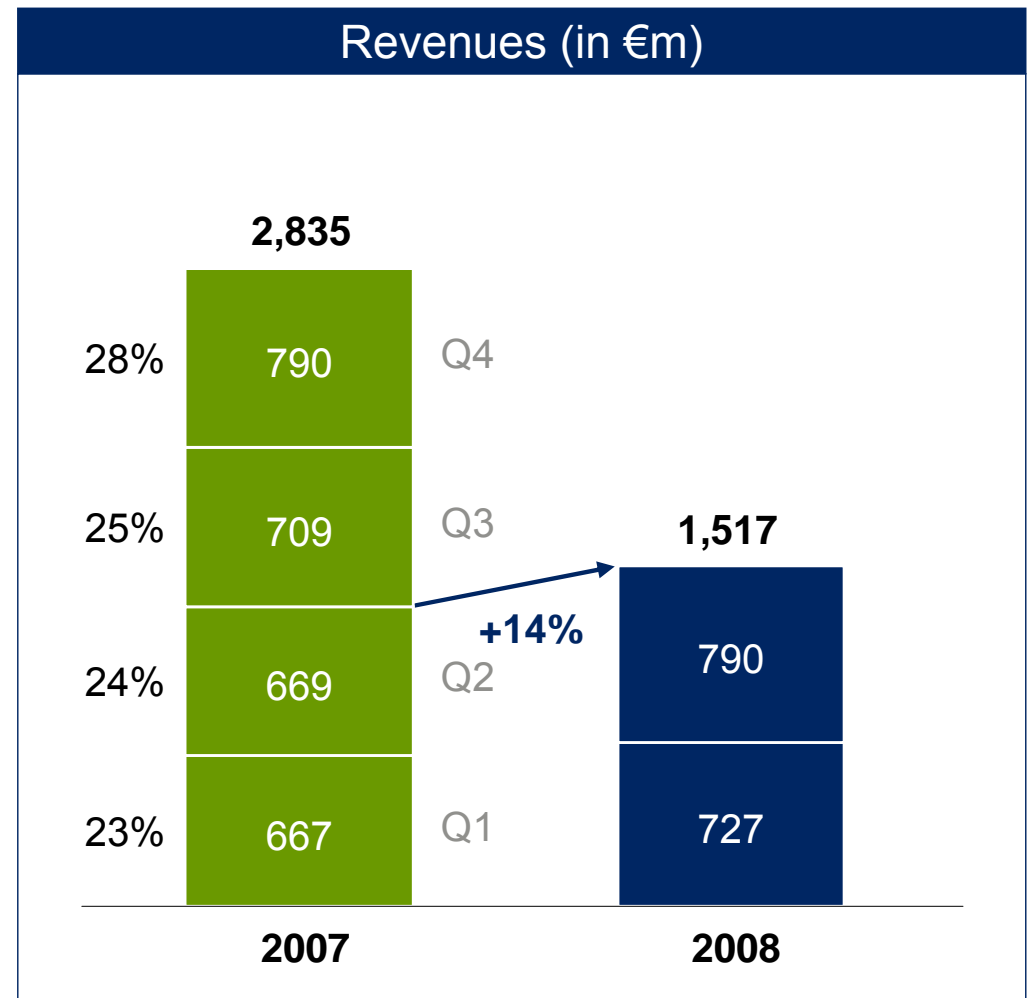
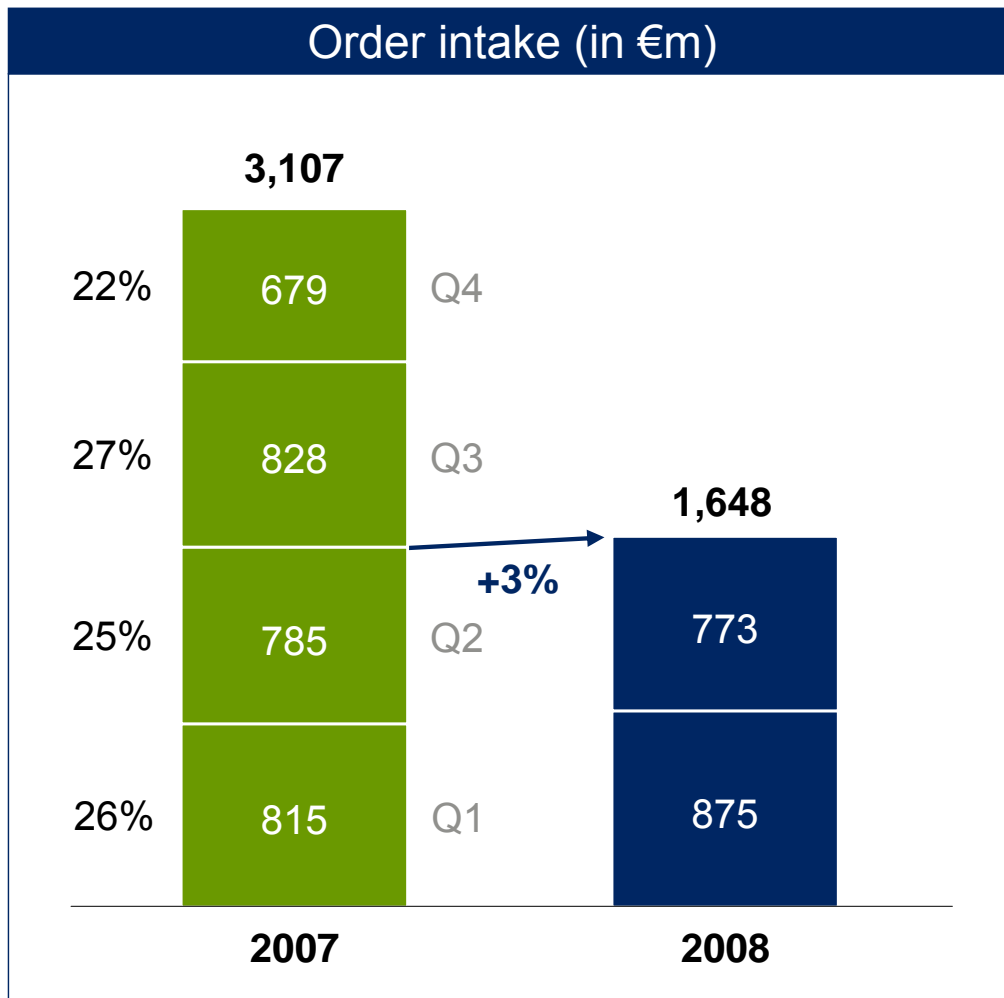
↓ Next step

↓ Flexibility

Financials

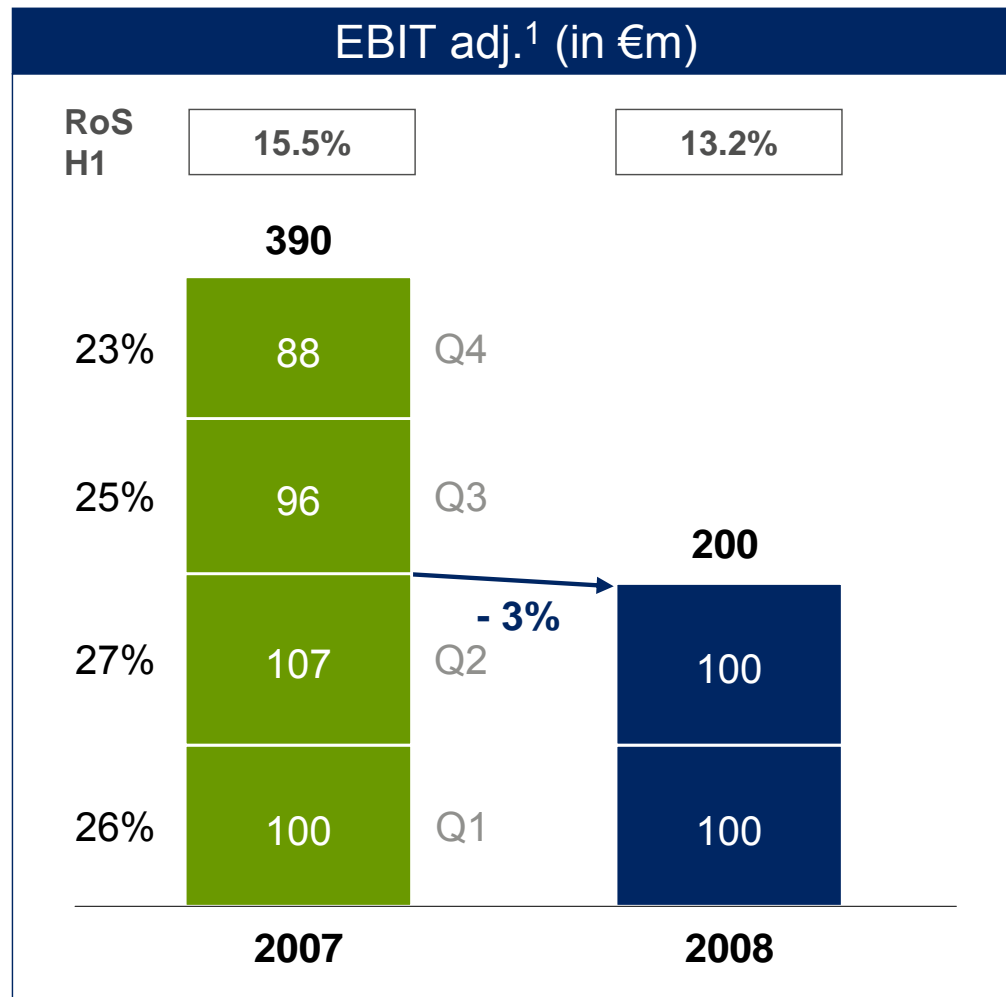
Joachim Coers
Executive Vice President and CFO

Strong topline growth

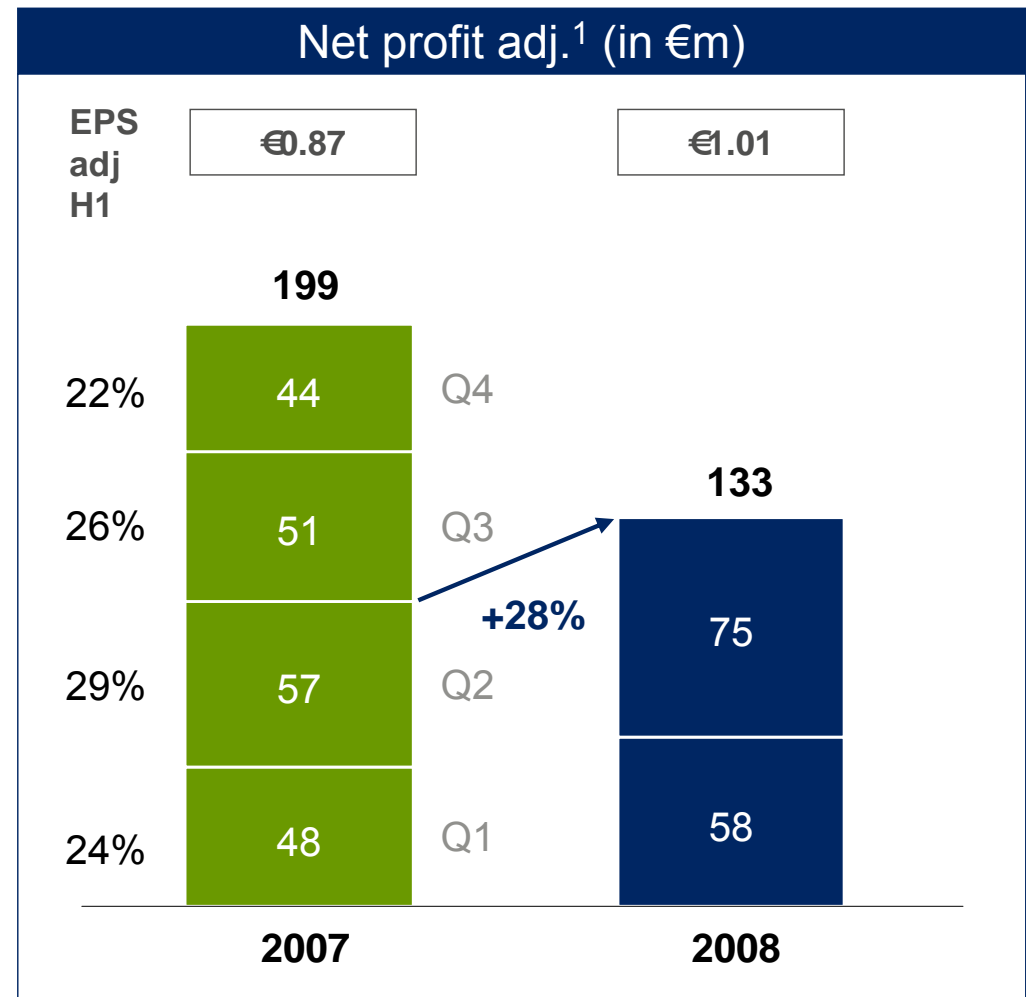


Continued earnings momentum in H1/2008

Despite USD/EUR fx rate at 1.53 vs. 1.33 in H1/2007



¹ Excludes any effects from purchase price allocation and one-off items



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Q2 adjustment bridge

in €m	Reported Q2/2008	Adjustments	Adjusted Q2/2008
Revenues	790.2		790.2
Cost of sales	(617.1)	16.8 (1)	(600.3)
Gross profit	173.1	16.8	189.9
SG&A	(68.5)		(68.5)
Research and development costs	(21.4)		(21.4)
Other operating expenses	0.5		0.5
Results from operating activities	83.7	16.8	100.5
Share of profit from investments (equity method)	(1.2)		(1.2)
Other financial income	3.6	(0.3) (2)	3.3
Other financial expenses	(2.4)		(2.4)
Earnings before interest and taxes	83.7	16.5	100.2
Interest income	0.8		0.8
Interest expenses	(1.3)		(1.3)
Earnings before taxes	83.2	16.5	99.7
Income taxes	(20.3)	(4.6) (3)	(24.9)
Net profit / loss	62.9	11.9	74.8
Depreciation and Amortization	(28.5)	11.1 (4)	(17.4)
EBITDA	112.2	5.4	117.6

(1) PPA depreciation & amortisation (€ 11.1m)

Adjusted for hedges for FX cashflows (€ 5.7m)

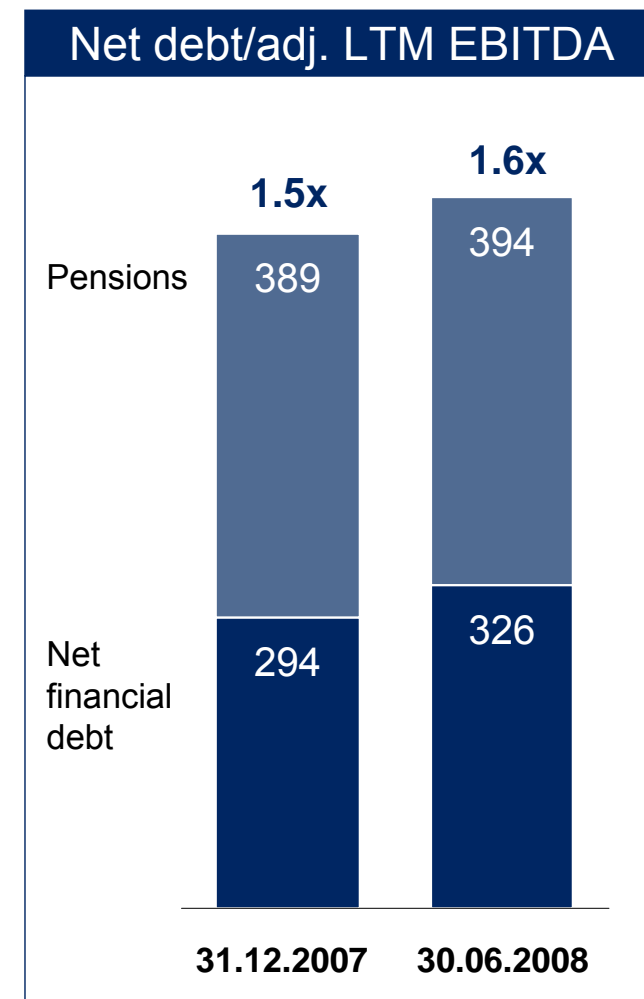
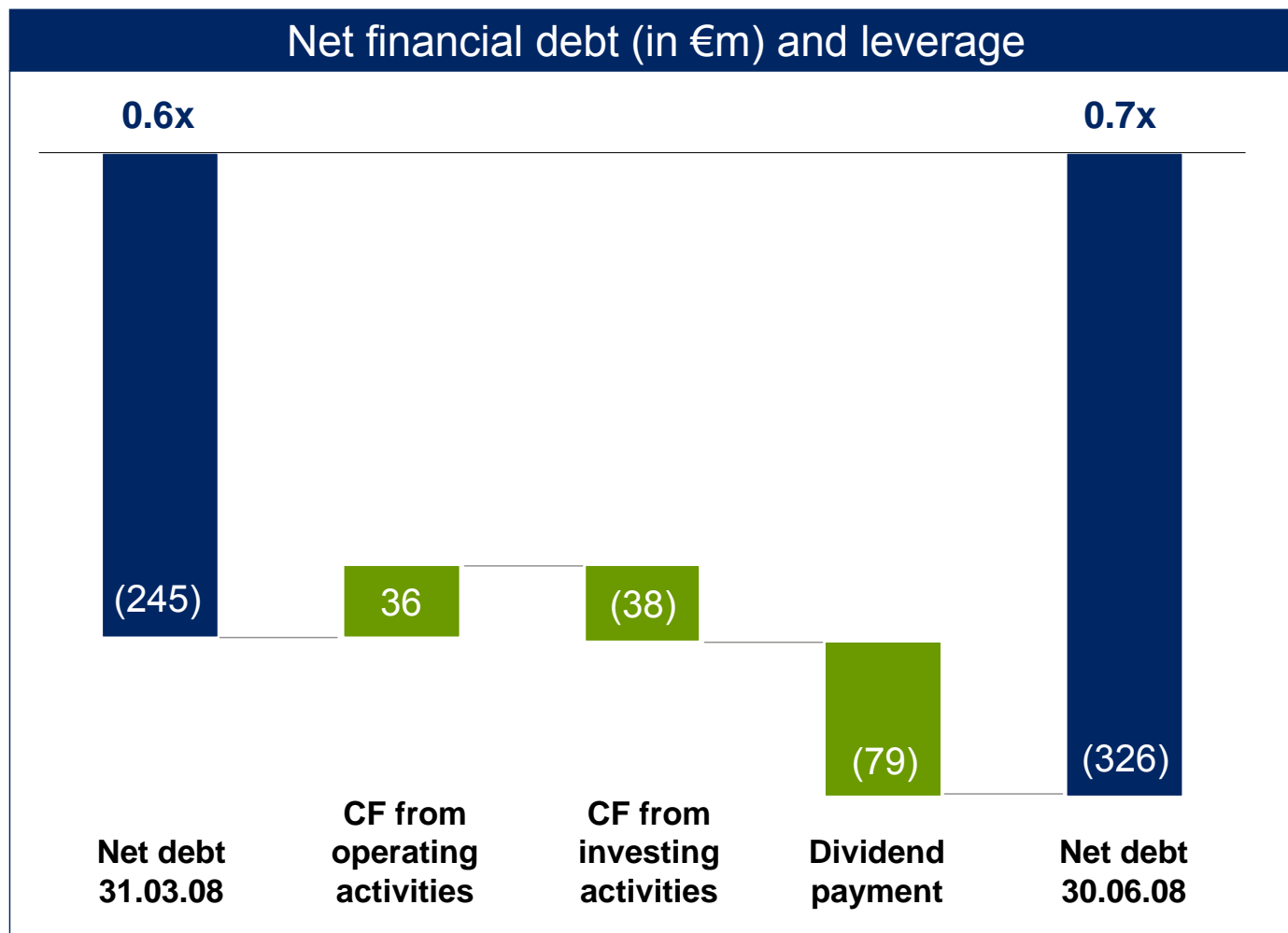
(2) Valuation of FX loans (-€ 0.3m)

(3) Higher income taxes resulting from lower EBIT at 25% tax rate (€ -4.6m)

(4) PPA depreciation & amortisation (€ 11.1m)

H1/Q2 2008 net debt development

€ 79m dividend payment Q2/2008



Q2 segment performance

Engines

in €m	Q2/2007	% of revenue	Q2/2008	% of revenue	Change
Order intake	664		650		-2%
External revenues	549		653		+19%
Segment revenues	558		669		+20%
Marine	122	22%	174	26%	+43%
PowerGeneration	120	21%	141	21%	+18%
Industrial	102	18%	119	18%	+17%
Defense	53	9%	70	10%	+32%
After Sales/Other	162	29%	165	25%	+2%
Adj. EBIT	95	17.0%	103	15.4%	+8%

Q2 segment performance

Onsite Energy Systems & Components

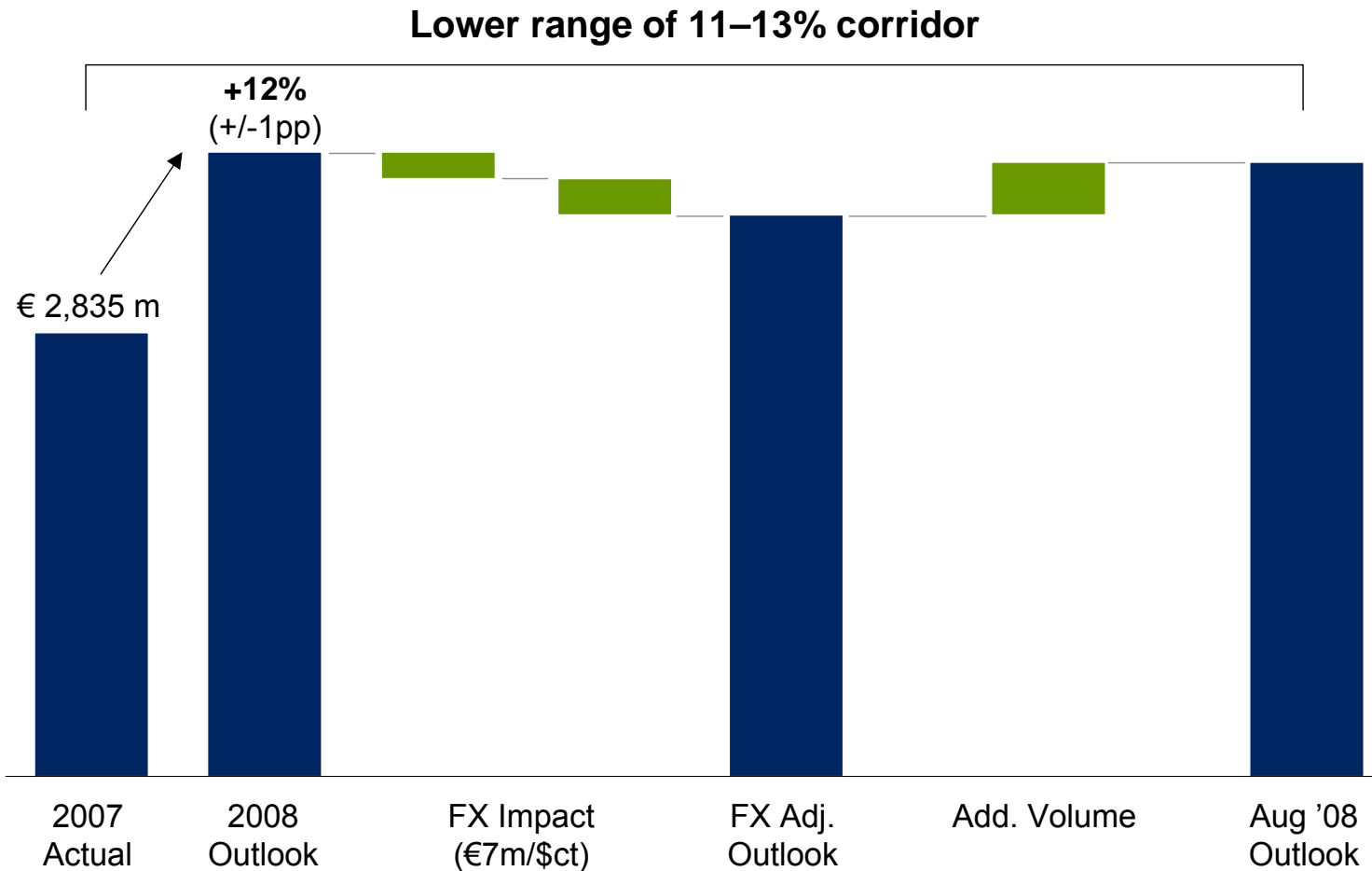
in €m	Q2/2007	% of revenue	Q2/2008	% of revenue	Change
Order intake	143		161		+13%
External revenues	120		137		+14%
Segment revenues	135		157		+16%
Onsite Energy	44	33%	52	33%	+18%
Injection Systems	35	26%	39	25%	+11%
Propeller Shafts	55	41%	66	42%	+20%
Adj. EBIT	10	7.3%	6	3.8%	-40%

Q2 consolidated group performance

in €m	Engines	OES&C	Holding/ Consolidation	Tognum Group
Q2/2007				
Order intake	664	143	-22	785
Revenue	558	135	-23	669
EBIT adj.	95	10	2	107
Q2/2008				
Order intake	650	161	-38	773
Revenue	669	157	-36	790
EBIT adj.	103	6	-9	100

Outlook development: Revenue guidance

H1/08 growth rate ex-USD headwinds at +18%



Additional volume
compensates partly
for fx-related
impact

Y-y growth rates
above > / below <
group average

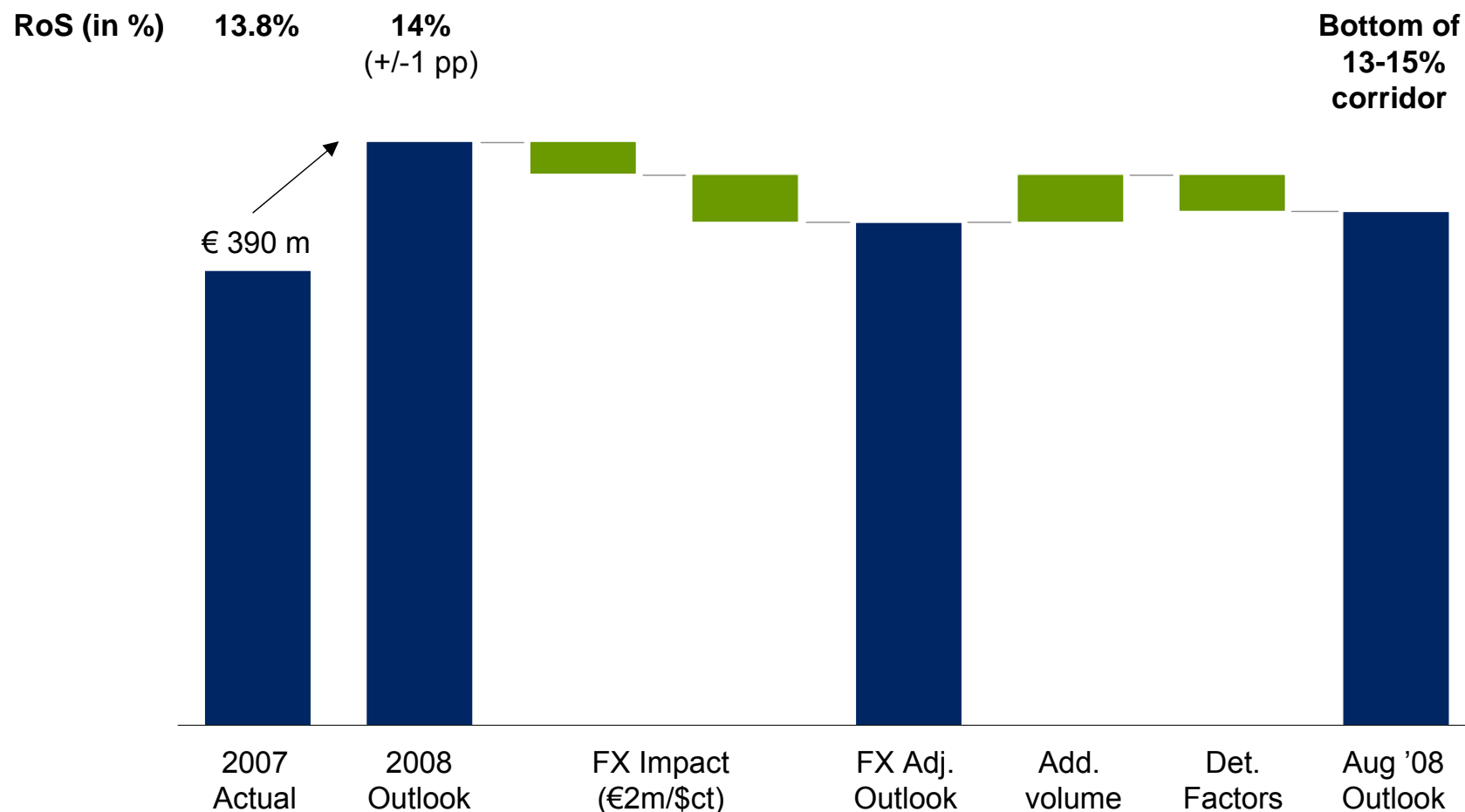
- > Marine
- > PowerGen
- > OES

- < Industrial
- < Defense
- < After Sales
- < Components

FX \$/€	1.37	1.38	→ 1.45	→ 1.55
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Outlook development: Adj. EBIT guidance

Adj. EPS guidance stable at >€ 2.00



Additional volume
compensates partly
for fx-related
impact

Deteriorating factors

- Cost drivers
- Commodities
- Labour cost
- Expenses for US sourcing & cap. expansion
- BUs realignment
- Rotorion
- Spin-off
- Warranty

FX \$/€	1.37	1.38	→ 1.45	→ 1.55
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Conclusions and Q&A

Volker Heuer
Chairman of the Executive Board and CEO

Joachim Coers
Executive Vice President and CFO

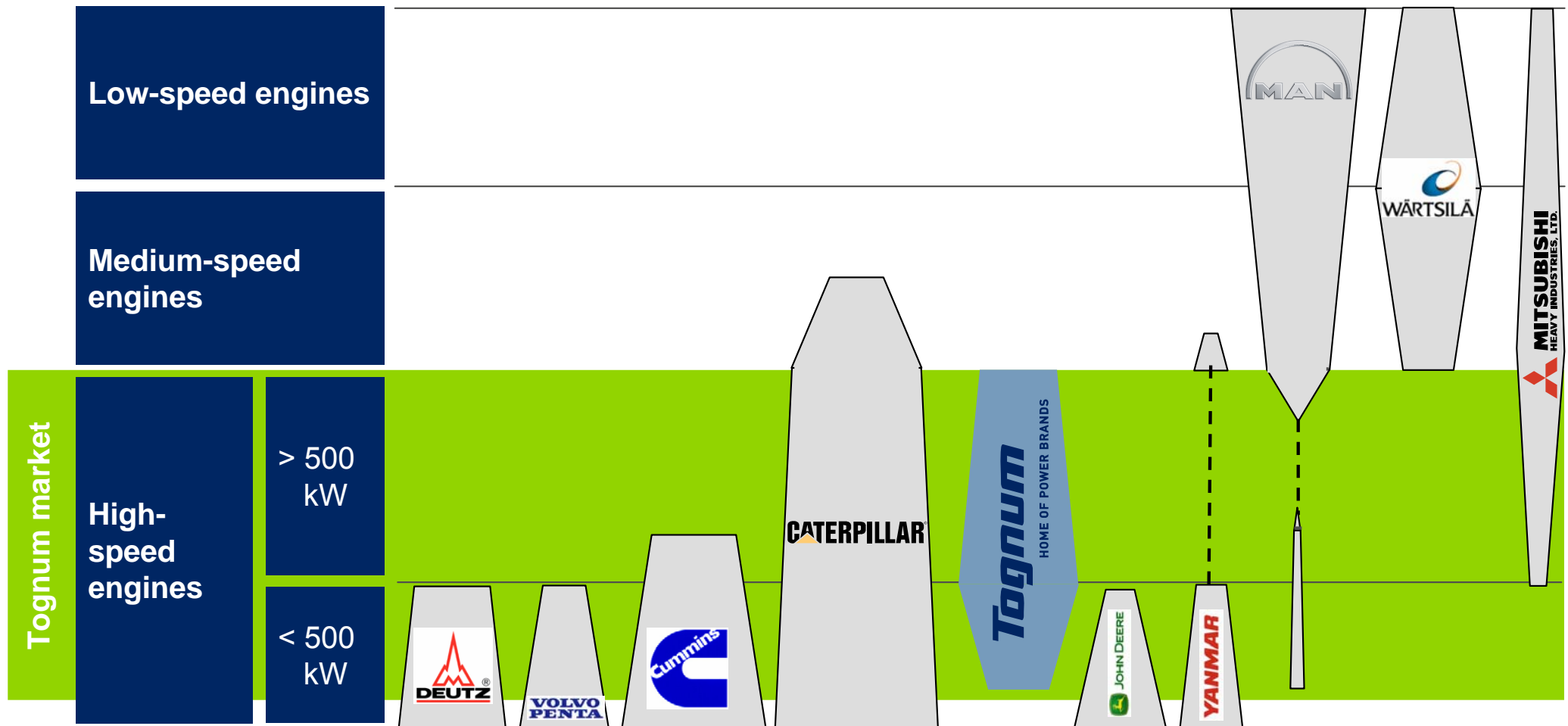
Achim Schneider
Director and Head of Investor Relations

Back-up

Investor Presentation – August 2008

Only pure-play in high-speed off-highway engines

Different business model and end-market exposure

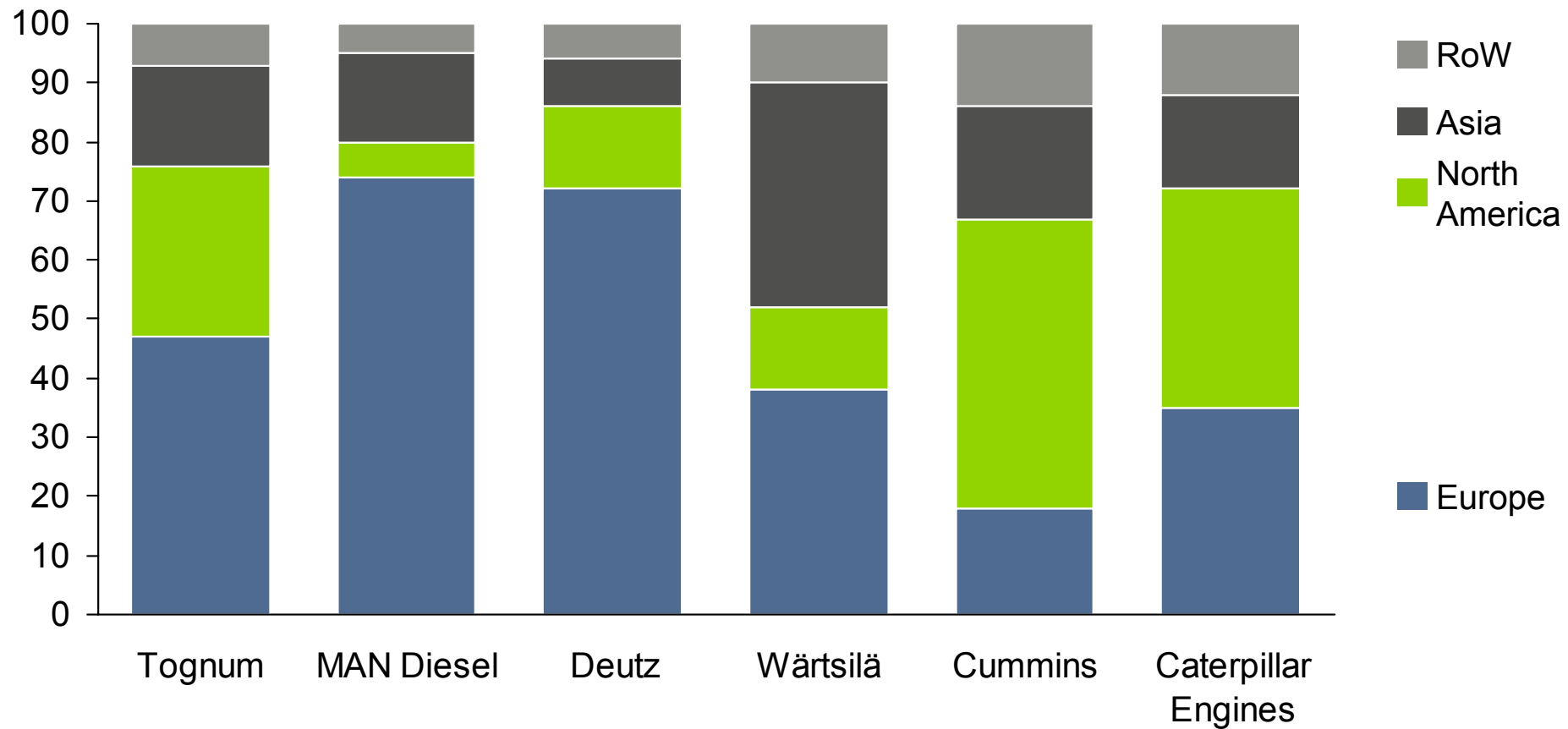


Note: Shapes represent approx engine volumes
Source: Secondary research

Limited regional risk

Global footprint supports stable revenues

Revenue split 2007 [%]



Source: Company data, Analyst estimates

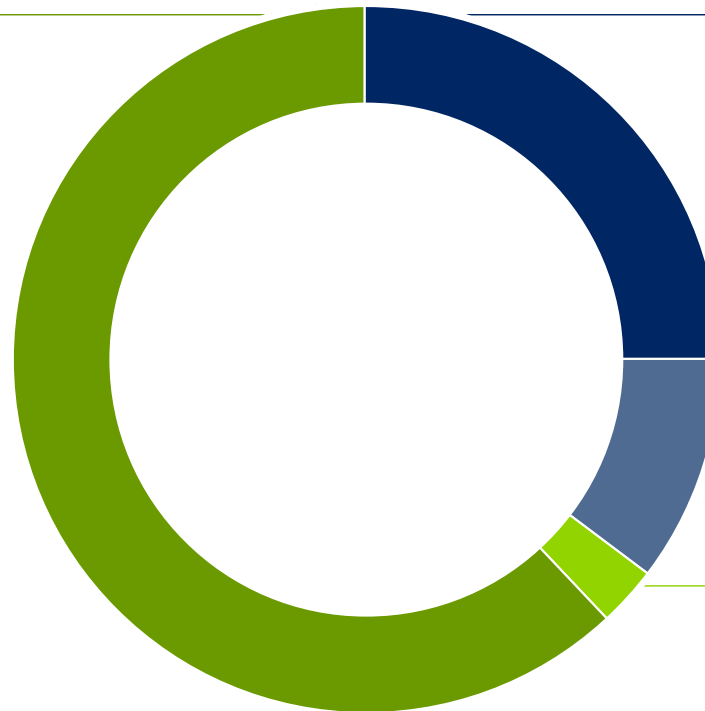
Tognum AG shareholder structure

As of July 31, 2008

Free float
62.0 %

Including

- ING Groep > 5 %
- Delta Partners > 3 %
- Fidelity International > 3 %



Daimler AG
25.0 % + 1 Share

**Seeker Management-
beteiligung GmbH & Co. KG**
10.3 %

Schmid Maybach LLC
2.7 %

Thank you very much!

Investor contact

Achim Schneider
Head of Investor Relations (CIR)

Phone: +49 (0)7541 90-3318

Fax: +49 (0)7541 9090-3318

<mailto:ir@tognum.com>

<http://www.tognum.com>

Tognum AG

88040 Friedrichshafen/Germany

Financial calendar *

Nov 11, 2008	Q3/08 final report & conf. call
Mar 26, 2009	Release of Annual Report 2008
May 13, 2009	Q1/09 final report & conf. call
Jun 09, 2009	Annual General Meeting 2009

* All dates are preliminary and subject to change