

Q3/9M 2008 Results

Tognum Analyst Call

Friedrichshafen/Germany, November 11, 2008

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This presentation also includes certain market and market share data. To our knowledge, there is no single, comprehensive source that reliably describes the overall market and its sub-markets or the competitive situation in the market breakdown presented herein. Unless indicated otherwise, all the statements herein concerning the market and competition are therefore based on our own estimates, some of which have in turn been derived from a variety of sources. It is possible that the actual market conditions and competition may differ from the situation described herein, or that other market participants may come up with different estimates of the market and competitive conditions.

Resilience built-in across applications and regions

Recent order and news announcements

Marine

- German frigate program F-125 with 20V 4000 series
 - 4th German frigate programme, again equipped by MTU like all prior generations
 - Multi-year contract for 4 frigates, each w/ 4x engines + 1x gas turbine
- Princess Yachts frame agreement for 2000 CR series renewed with
 - Over 700 engines to be delivered 2009-2012; volume doubled vs. prior contract
- Introduced new S4000 engine for work boats & automation system for naval vessels

Industrial/ Rail

- Engines for Voith locomotives
 - 130x 8V 4000 to equip shunting locomotives, delivery starting 2009
 - Fulfills 2009 emissions requirements
- Bombardier „Class 172“ railcars equipped with MTU power packs
 - 93 systems incl. S1800, gearbox, cooling, filters; project 2009/2010
- Introduced new hybrid drive system (“PowerPack”) & Certification of S4000-Rail by UIC

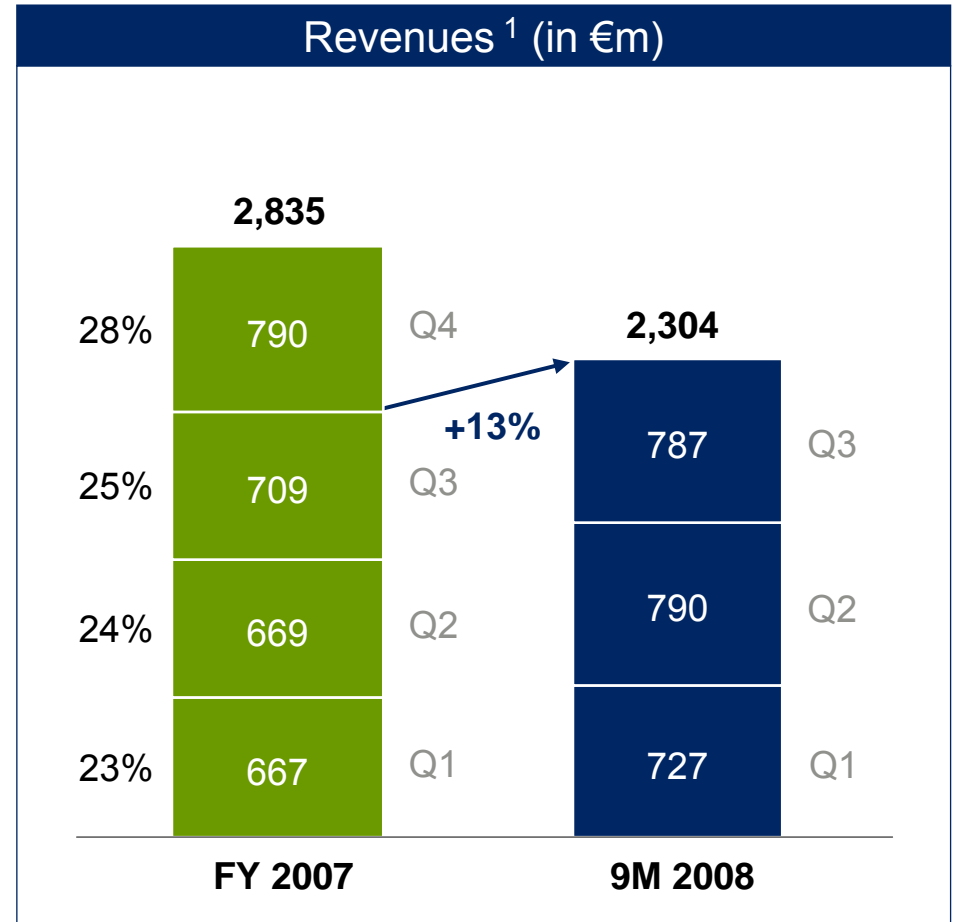
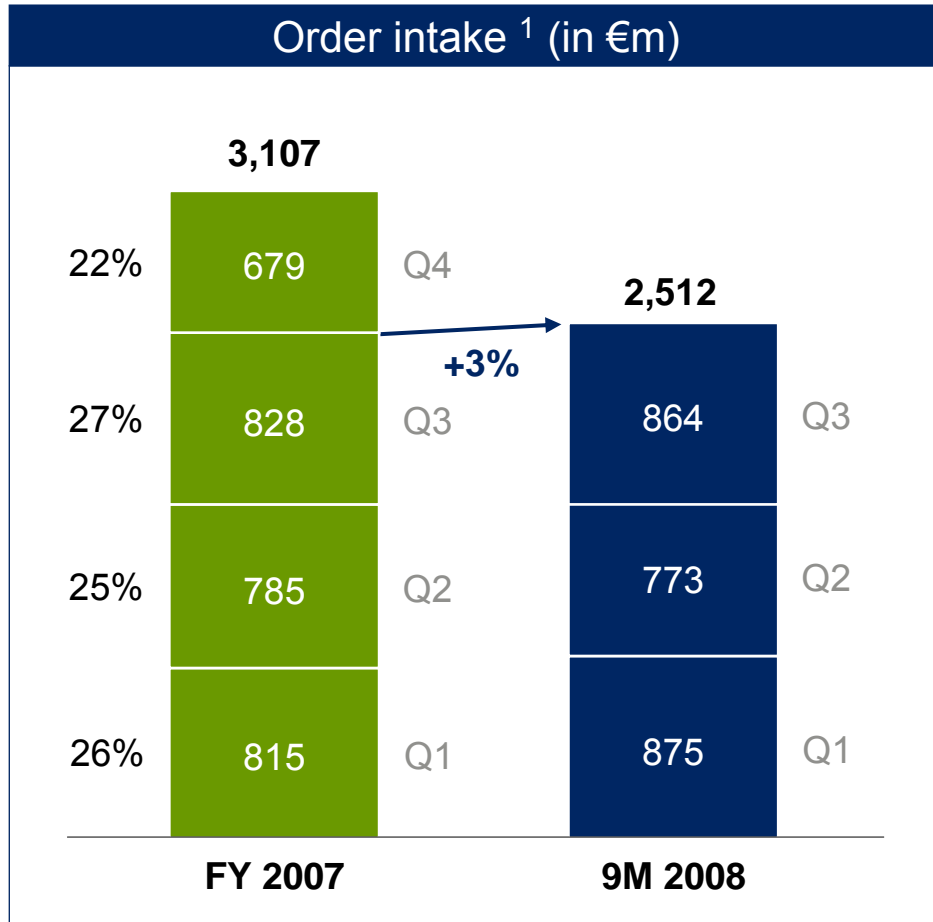
Defense

- U.S. army relies on further component supply for Detroit Diesel 2-cycle engines
- First pilot engines are running in demonstration vehicles within FCS modernization project

After Sales

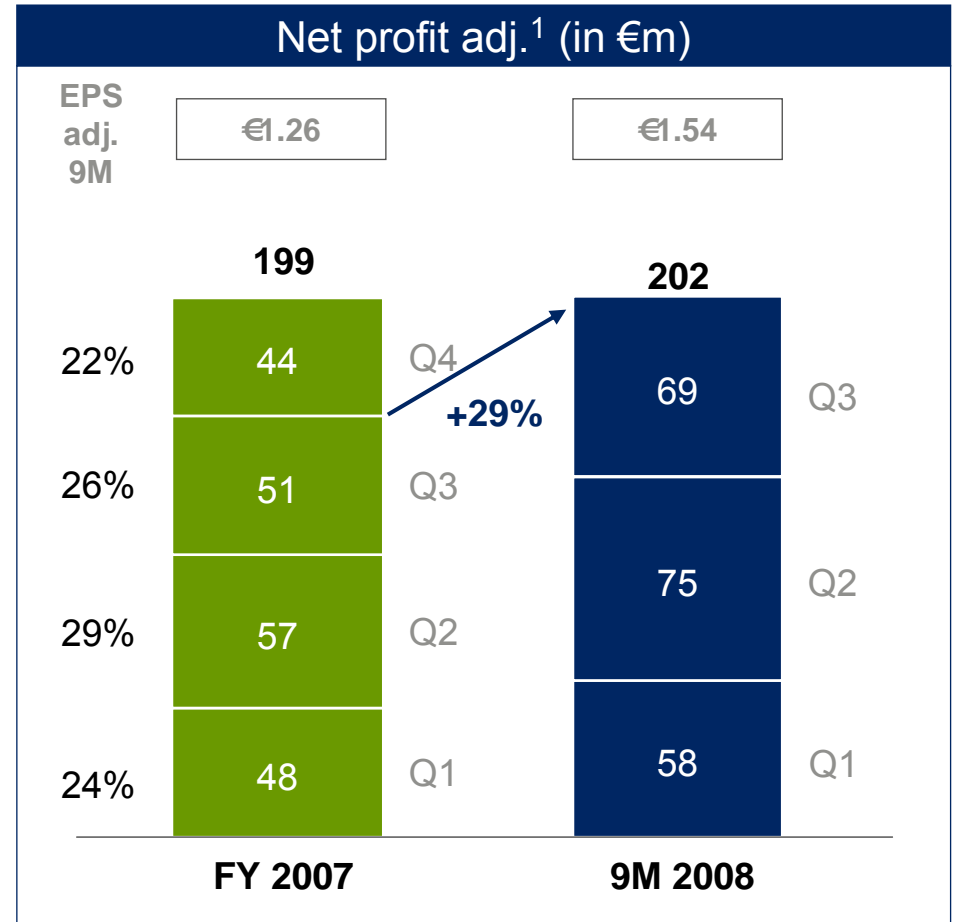
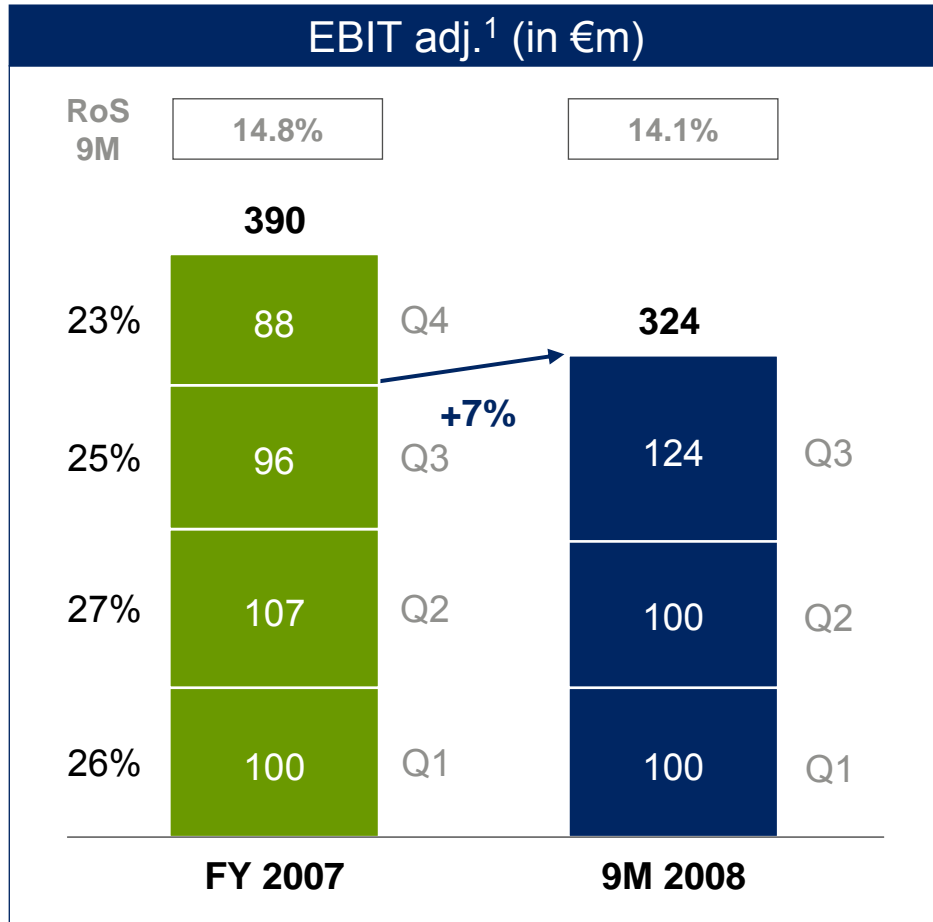
- Expansion of Service-Repair-Reman business infrastructure in Asia with MTI JV in Malaysia

Solid order intake and strong topline growth leads to book-to-bill of ~1.1 for 9M and Q3/2008



¹ Growth rates Q1-Q3 before negative fx effects: Order Intake +6%, Revenues +16%

Continued earnings momentum during 9M/2008 despite USD/EUR at 1.52 vs. 1.34 in 9M/2007 (-13%)



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

Q3/2008 adjustment bridge

in €m	Reported Q3/2008	Adjustments	Adjusted Q3/2008
Revenues	786.9		786.9
Cost of sales	(581.3)	21.4 (1)	(559.9)
Gross profit	205.6	21.4	227.0
SG&A	(62.6)		(62.6)
Research and development costs	(39.7)		(39.7)
Other operating expenses	0.5		0.5
Results from operating activities	103.8	21.4	125.2
Share of profit from investments (equity method)	0.1		0.1
Other financial income	(7.8)	23.3 (2)	15.5
Other financial expenses	(17.3)		(17.3)
Earnings before interest and taxes	78.8	44.7	123.5
Interest income	1.2		1.2
Interest expenses	(11.5)		(11.5)
Earnings before taxes	68.5	44.7	113.2
Income taxes	(29.5)	(14.6) (3)	(44.1)
Net profit / loss	39.0	30.1	69.1
Depreciation and Amortization	(34.6)	16.1 (4)	(18.6)
EBITDA	113.4	28.6	142.1

(1) PPA depreciation & amortisation (€ 11.5m)

Adjusted for hedges for FX cashflows (€ 9.9m)

(2) Valuation of FX loans (€ 18.7m)

Impairment of FCE (€ 4.6m)

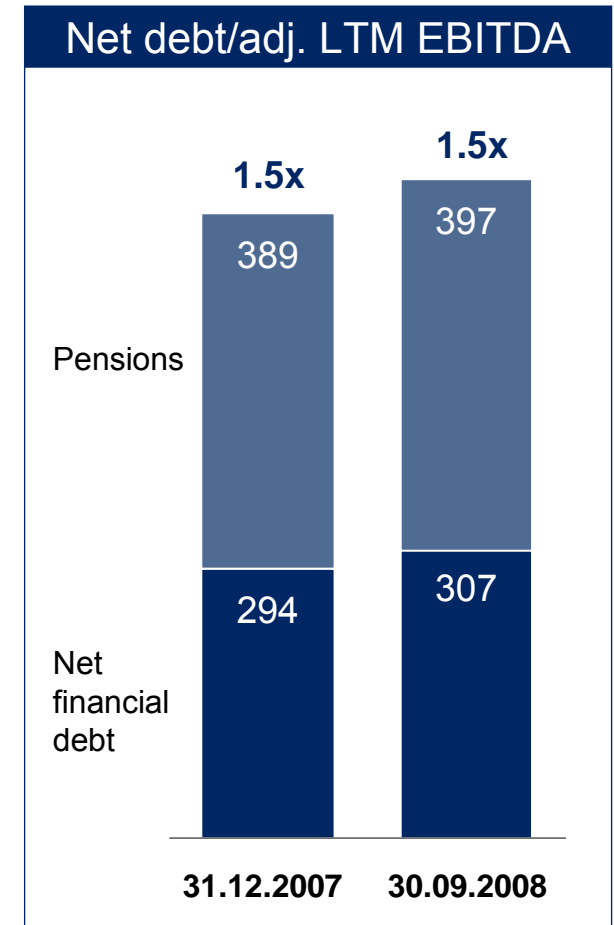
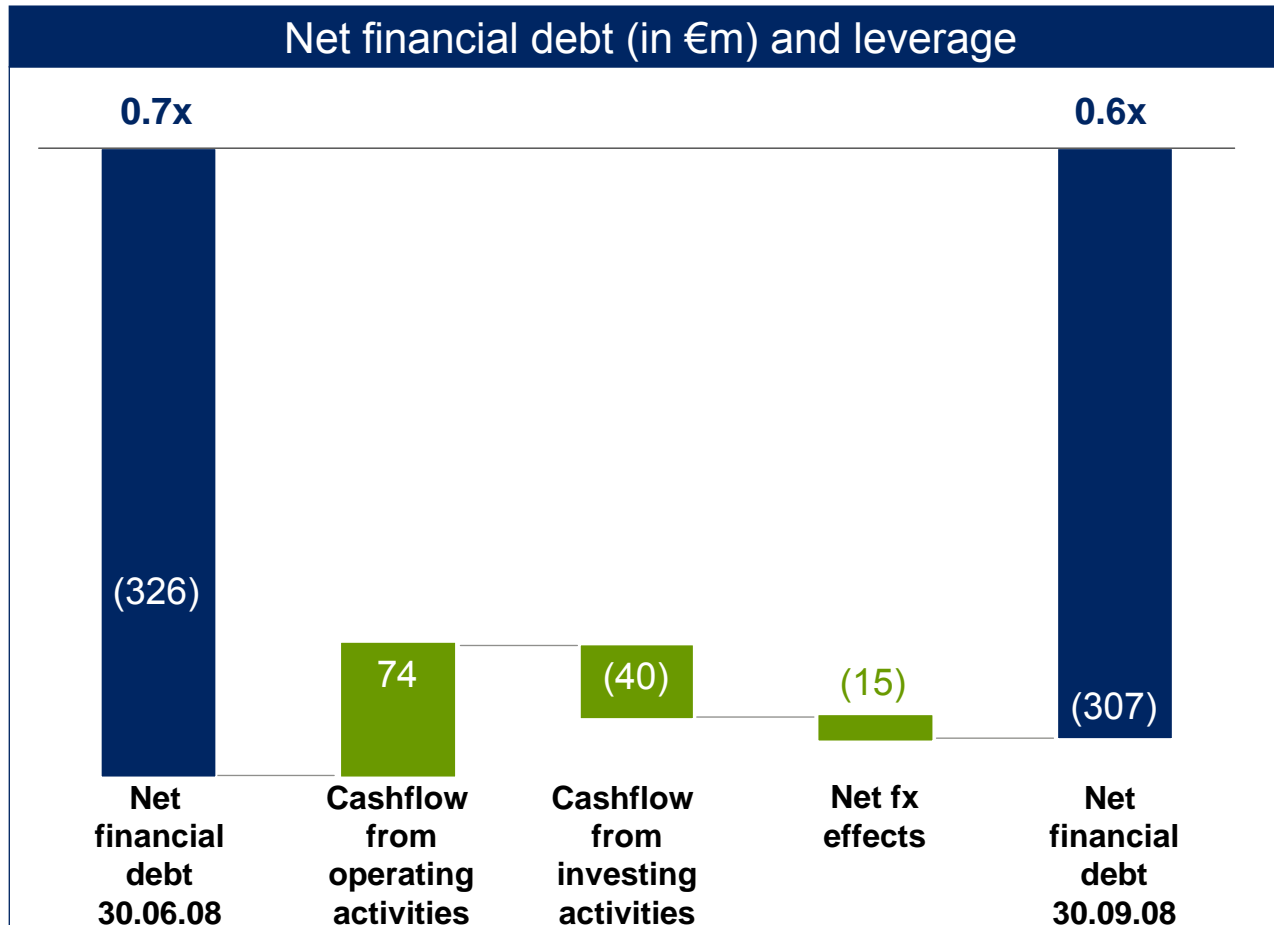
(3) Higher income taxes resulting from lower EBIT at 39% tax rate (€ -14.6m)

(4) PPA depreciation & amortisation (€ 11.5m)

Impairment of FCE (€ 4.6m)

Q3/9M 2008 net financial/net debt development

Solid financing structure



Q3 segmental performance

Engines

in €m	Q3/2007	% of revenue	Q3/2008	% of revenue	Change
Order intake	742		730		-2%
External revenues	601		653		+9%
Segment revenues	612		672		+10%
Marine	153	25%	201	30%	+31%
PowerGeneration	135	22%	140	21%	+4%
Industrial	106	17%	114	17%	+8%
Defense	62	10%	60	9%	-3%
After Sales/Other	156	25%	157	23%	+1%
Adj. EBIT	92	15.0%	123	18.3%	+34%

Q3 segmental performance

Onsite Energy Systems & Components

in €m	Q3/2007	% of revenue	Q3/2008	% of revenue	Change
Order intake	127		170		+34%
External revenues	108		134		+24%
Segment revenues	130		153		+18%
Onsite Energy Systems	41	32%	57	38%	+39%
Injection Systems	38	29%	41	27%	+8%
Propeller Shafts	51	39%	55	36%	+8%
Adj. EBIT	5	3.8%	9	5.9%	+80%

Q3 consolidated group performance

in €m	Engines	OES&C	Holding/ Consolidation	Tognum Group
Q3/2007				
Order intake	742	127	-41	828
Revenue	612	130	-33	709
EBIT adj.	92	5	-1	96
Q3/2008				
Order intake	730	170	-35	864
Revenue	672	153	-38	787
EBIT adj.	123	9	-8	124

Outlook FY 2008 confirmed

	2007 Actual	2008 Outlook
Avg. USD/EUR fx rate*	1.37 \$/€	+/- 1.50 \$/€
Market growth diesel engines*	~8 %	6.5-7.0 %
Market growth OES business*	~9.5 %	8.0-9.0 %

Revenue (growth rate)	€2.835m / 11.8 %	≥ 11 %
Return on Sales (adj.)	€390m / 13.8 %	≥ 13 %
Earnings per share (adj.)	€ 1.58	+25 % to >€ 2.00

* Tognum estimates: fx rate based on banks consensus, market growth based on various sources for relevant end markets

Managing risks related to financial-market turmoil

Mitigating factors in place to face declining economic growth

Stable topline development

- Stable order intake with intensified sales activities across all applications and regions
- Limited number of cancellations as well as some postponements
- Shortening order lead times but still high level of quotations
- Price increases announced effective from January 1, 2009

Sensible cost management

- TOP program execution
- Flexible production +/- 10%:
outsourced parts manufacturing capacity through 'external workbench' concept
- Flexible workforce >10% of total:
>400 temporary employees plus ~500 employees on fixed-term contracts
- Roll-out schedule of mid-term capacity expansion under review

Long-term financing secured

- Syndicated loan facility: EUR 450m, USD 260m
- Available until mid 2013
- Group of 13 banks (mainly European-/Germany-based)
- Unused credit lines of EUR ~300m available

Flexible hedging policy

- Q4 2008: ~95% of remaining net exposure @ USD 1.47 USD/EUR
- 2009: ca. 2/3 of net exposure @ USD 1.43 USD/EUR
- 2010: initial volumes @ USD <1.30 USD/EUR

Ongoing execution of strategy for long-term profitable growth
Resilient business model succeeds in challenging environment

Diversified product portfolio

Geographical split
Product mix
~22 applications

**Business applications
in high-growth areas**

Decentralised power generation
Raw materials/transportation
Emerging markets



Four strategic initiatives

Turning established positioning
into strong growth momentum

Conclusions and Q&A

Thank you very much!

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Financial calendar *

Nov 12, 2008	DVFA analyst presentation (new)
Feb 27, 2009	Pre-release FY 2008 results (new)
Mar 26, 2009	Release of Annual Report 2008
May 13, 2009	Q1/09 final report & conf. call
Jun 09, 2009	Annual General Meeting 2009
Aug 12, 2009	Q2/09 final report & conf. call
Nov 11, 2009	Q3/09 final report & conf. call

* All dates are preliminary and subject to change