

- Total revenues of approx. EUR 15 million and earnings per share of EUR 0.08 in line with forecasts - wider margins in the first quarter: EBIT margin > 10%; EBITDA margin > 15 %
- SATCOMBw II - bid for installation and operation of a satellite communications network for the German armed forces lodged as part of the T-System syndicate
- Telematics business unit operating profitably again in the first quarter
- ORBCOMM capital increase together with SES Global and other strategic investors fortifying Satellite Services business unit

3-MONTH REPORT 2004

For the period from January 1 until March 31, 2004



**Dear shareholders,
customers and business associates,**

In the first quarter of 2004, the OHB Technology Group impressively continued its successful course of boosting profitability in spite of a reduction in total revenues.

In the traditionally fairly muted first quarter of the fiscal year, the OHB Technology Group's total revenues came to EUR 14.7 million, down roughly 15% on the year-ago quarter, which had been characterized by above-average revenues. The volatility in the Group's top-line performance is attributable to the project-based nature of its business and the invoicing of individual services, which may result in uneven shifts within a given fiscal year.

The Space Technology + Security business unit posted unconsolidated total revenues of EUR 12.3 million (down 20% on the year-ago figure of EUR 15.4 million).

By contrast, the Telematics and Satellite Services business units delivered a roughly 30% increase in unconsolidated revenues to EUR 3.1 million (previous year: EUR 2.4 million) and were operating profitably again in the first quarter of 2004, thus exceeding expectations slightly.

In the period under review, consolidated EBITDA came to EUR 2.3 million (previous year: EUR 2.0 million). As a result, the EBITDA margin widened

from the year-ago figure of 11.5% to 15.8% in spite of the decline in total revenues. EBIT came to EUR 1.6 million (previous year: EUR 1.6 million), translating into an EBIT margin of 10.8%, up from 9.1% in the same period one year earlier. Consolidated net income for the quarter reached only EUR 1.1 million (previous year: EUR 1.5 million) as the application of a normalized tax rate resulted in substantially higher tax expense. This is equivalent to earnings per share of EUR 0.08, down from EUR 0.10 one year earlier.

Order books were valued at EUR 180.8 million on March 31, 2004, compared with EUR 253.7 million on the same date one year earlier.

Cash and cash equivalents at the end of the quarter stood at EUR 40.6 million and benefited from the high liquidity of EUR 43.1 million at the end of 2003. The decline in cash and cash equivalents is primarily due to a reduction in trade accounts payable and short-term provisions.

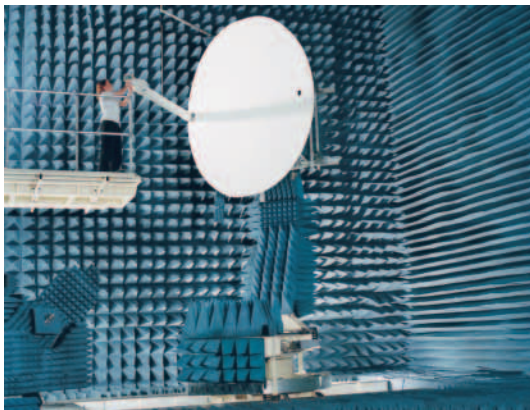
The pace of the Group's growth was unabated. As planned, total revenues will exceed EUR 120 million in 2004, with earnings per share again topping the year-ago figure (EUR 0.31).

OVERVIEW	1/1 – 31/3/2004 EUR 000	1/1 – 31/3/2003 EUR 000
Total revenues	14,739	17,387
EBITDA	2,327	1,995
EBIT	1,587	1,574
EBT	1,755	1,653
Net income for the period	1,111	1,465
Earnings per share (EUR)	0.08	0.10
Total assets	117,585	100,066
Equity	38,501	34,464
Cash flow from operating activities	- 1,188	9,452
Equity investments	USD 3,6 million	-
Capital spending	109	160
Employees on March 31	280	288

SPACE TECHNOLOGY + SECURITY

The Space Technology + Security business unit again dominated the Group's business performance in the first quarter of 2004 notwithstanding the fact that unconsolidated total revenues came to only EUR 12.3 million, i.e. a substantial 20% down on the year-ago figure of EUR 15.4 million. At EUR 1.9 million, EBIT was virtually unchanged over the previous year's figure of EUR 2.0 million and translates into a substantially wider EBIT margin of EUR 15.1% (year-ago quarter: 13.3%).

The largest single order at the moment, the SAR-Lupe project, is continuing to progress according to schedule. All the milestones set for the first quarter of 2004 were reached again, with the customer, the German Federal Office of Defense Technology and Procurement, stating at the scheduled 6th management review at the end of January that it was very satisfied with the technical progress being made on the SAR-Lupe project.



SAR-Lupe antenna. Electronic calibration of the antenna

SAR-Lupe is now "learning to see" following successful testing in January of the first parabolic antenna for the satellite reconnaissance system. During testing, the system actually outperformed the required parameters. The antennas constitute the "eyes" of what is a total of five identical satellites, successful integration of which commenced immediately after the delivery of the first components.

The radar satellites being developed under the SAR-Lupe program are being marketed under the SAR-SAT name. There is strong interest in these SAR-SAT satellites in most allied and NATO countries. OHB is currently engaged in intensive negotiations with some of these interested parties in conjunction with partners.

SATCOMBw II looks set to become the OHB Group's largest and most important project in the future. At the moment, the German federal armed forces currently do not have any military satellite capacity of their own but resort to the resources of the NATO allies and commercial service-providers on multinational missions. The German armed forces' ability to act flexibly on a global basis hinges on the availability of an independent and secure system for military voice and data communications.

Under the lead management of T-Systems, a national syndicate additionally comprising OHB-System and Thales has been established with the aim of bidding for the project for establishing and operating a new satellite communications network for the German armed forces. In this connection, OHB-System is responsible for constructing the military space segment consisting of small geostationary satellites (known as "Little Geos"), the relevant security systems as well as the ground station for controlling and monitoring the satellites. In addition, OHB will be organizing the satellite launch and commencement of operations once the satellites are in orbit. This project forms a key thrust of OHB's strategy for additionally achieving a leading role with Little Geos in the future.

At the end of March, OHB-System submitted its sub-bid to the syndicate, with the overall offer presented to the German armed forces in mid April. A competing offer has also been submitted by another party. A decision on the bid is to be made in autumn 2004, while the contract with the successful party is expected to be signed at the end of 2004/beginning 2005.

The Phase A study for the new “SWARM” satellite system for measuring the earth’s magnetic field with an unprecedented degree of precision was successfully completed during the period under review. ESA will be making a decision in the near future concerning the completion and awarding of contracts for the following phases. If its bid is accepted, this will mean project work worth around EUR 100 million over the next five years for OHB.

The rejection of our concession proposal for the operation of the GALILEO satellite constellation in no way affects our participation in the construction of the Galileo satellites. OHB is still involved in all current phases and, looking forward, will continue to produce components for the constellation for Galileo Industries.



EPM – finishing touches prior to delivery

In the manned space flight area, the flight model of the European Physiology Modules Facility (EPM) has been shipped by OHB to EADS Space Transportation, Bremen, for integration in the COLUMBUS module. A series of supplementary and additional contracts was recently signed with ESA to cover the project extensions necessitated by the delays in the construction of the International Space Station ISS. As it is still not known when NASA will be resuming Shuttle flights to the ISS, a decision on the launching date for the European Columbus module has not yet been made.

A corresponding EPM training model for teaching astronauts how to use the laboratory in space was sent to ESA's European Astronaut Center in Cologne at the end of February. EPM is made up of several modules with standardized interfaces allowing the astronauts to perform various tasks. One of these modules is Cardiolab, which comprises a medical diagnostics system developed by OHB subsidiary STS for astronauts’ cardiac/circulatory systems. The physiological examinations in gravity-free conditions are gaining particular importance in the light of the planned manned missions to the moon or Mars.

In the quarter under review, numerous experiments were conducted to determine the roll behavior of Phoenix, the 1:7 model of a possible future European space transporter. At the beginning of May, Phoenix successfully completed its first real test flight. For this purpose, it was launched from a transport helicopter at an altitude of 2,400 meters, whereupon it completed all flight maneuvers without a hitch and glided to its landing site safely within 90 seconds with the assistance of its steering and navigation system. EADS Space Transportation, Bremen, is the principal contractor responsible for developing, constructing and testing Phoenix. OHB-System is primarily involved in developing and integrating the on-board navigation system and implementing the sensory system for taking measurements during the testing phase.



Phoenix before its non-motorized flight from an altitude of 2,400 meters

TELEMATICS



Telematics business picking up again

The Telematics business unit has regained momentum, achieving unconsolidated total revenues of EUR 3.1 million in the first quarter of 2004, equivalent to a substantial 30% increase over the previous year (EUR 2.4 million). With EBITDA of EUR 0.274 million, marking a swing away from the previous-year loss at the EBITDA level of EUR 0.043 million, the business unit managed to return to profit-making territory, delivering an EBITDA margin of some 9% in the process. This resulted in EBIT of EUR 0.050 million (previous year: loss of EUR 0.310 million at the EBIT level). As before, these figures include the Satellite Services business unit (EBITDA of EUR 0.015 million and EBIT of EUR 0.014 million).

In addition to customized project work, OHB's Telematics business unit is increasingly concentrating on OEM projects and services such as exclusive deliveries to producers of commercial vehicles, barcode-based consignment tracking systems for press products and the logistics for the German armed forces in connection with service fleets and on foreign missions. Commenced in the previous quarter, work on installing a consignment tracking system for the German GEFCO organization continued to proceed according to schedule and will be completed in June.

TIPS MOBILE is the inexpensive entry-level solution for the mass market using Java-enabled standard mobile telephones. Introduced for the first time, this Java solution in connection with GPRS communications is quicker, more practical, more user-friendly and less expensive than previous WAP solutions. An initial order providing for more than 800 units to be equipped with the system will be used to optimize the deployment of passenger-vehicle transportation.

The latest 2004 release of megatel product visor, a geographic information system, now includes the features of the Open GIS Consortium (OGC) in order to defend its strong market position in the medium term as well.

SATELLITE SERVICES

In February, the capital of OHB associate ORBCOMM LLC, Dulles, USA, was increased by a total of USD 26 million as a result of contributions made by OHB Technology AG, SES Global S.A., Luxembourg, and other partners. OHB subscribed to roughly USD 3.6 million of this equity issue. The largest new investor is SES, the world's leading provider of broad-band satellite services. The funds are to be used for further extensions to ORBCOMM's successful global growth strategy.

In this way, OHB Technology will be reinforcing its efforts to improve market access for its telematics products and services in North America. Moreover, as one of the leading European producers of small satellites, OHB System expects to play a key role in the development of the new generation of ORBCOMM satellites.

RESEARCH AND DEVELOPMENT

Research and development work in the Space Technology + Security business unit remains focused on new radar technologies and future infrared sensor systems. A further area attracting growing attention concerns the technology for small geostationary communication satellites (Little Geos).

In the Manned Space Travel segment, R+D activities remained focused on service packages targeted at industrial customers for the commercial deployment of the International Space Station (BEOS) as well as subsystems and components for future orbital vehicles (Phoenix).

The Telematics business unit concentrated on further enhancements to the TIPS and ATIS ranges.

In the first quarter of 2004, research and development expenditure came to EUR 0.350 million, compared with EUR 0.593 million one year earlier.

CAPITAL SPENDING

In addition to the capital contribution of USD 3.6 million for ORBCOMM, capital spending in the first quarter came to around EUR 0.109 million (previous year: EUR 0.160 million) for general technical equipment.

EMPLOYEES

As of March 31, 2004, the Group head count stood at 280 (March 31, 2003: 288).

GROUP PERSONNEL STRUCTURE	3/31/2004	3/31/2003
Development, system engineering	157	158
Hardware production, mechanics, service	40	44
Distribution, project management	44	45
Administration and system administration	29	32
Quality management	10	9
Total	280	288

OUTLOOK

Business in the first three months of 2004 progressed as expected, with the cashflow-heavy operative space technology business fueling profitability, additionally backed by cost-cutting measures and the strong top-line growth in the Telematics business unit.

Looking forward, the OHB Group will continue to systematically optimize and simplify structures and processes to cut costs in the Telematics and Space Technology business units as well as on the holding-company level.

The 2004 fiscal year should also see substantial organic growth, producing revenues of over EUR 120 million in tandem with a further rise in earnings per share.

Space Technology + Security

Sales efforts in this area will continue to have two main thrusts:

For one thing, OHB System is working intensively on marketing the SAR-SAT satellites to a number of allied countries partially by means of direct sales and partially via powerful partners.

At the same time, Missile Defense activities are also to be stepped up, with further projects to be handled in trans-Atlantic partnerships.

In the Manned Space Flight segment, additional business is also expected from the Automatic Transfer Vehicle (ATV). Moreover, further bridging and development work in connection with the existing research experiments will constitute key activities pending the launch of the European COLUMBUS module as part of the ISS International Space Station.



SATCOMBw II – the satellite communications system for the German armed forces

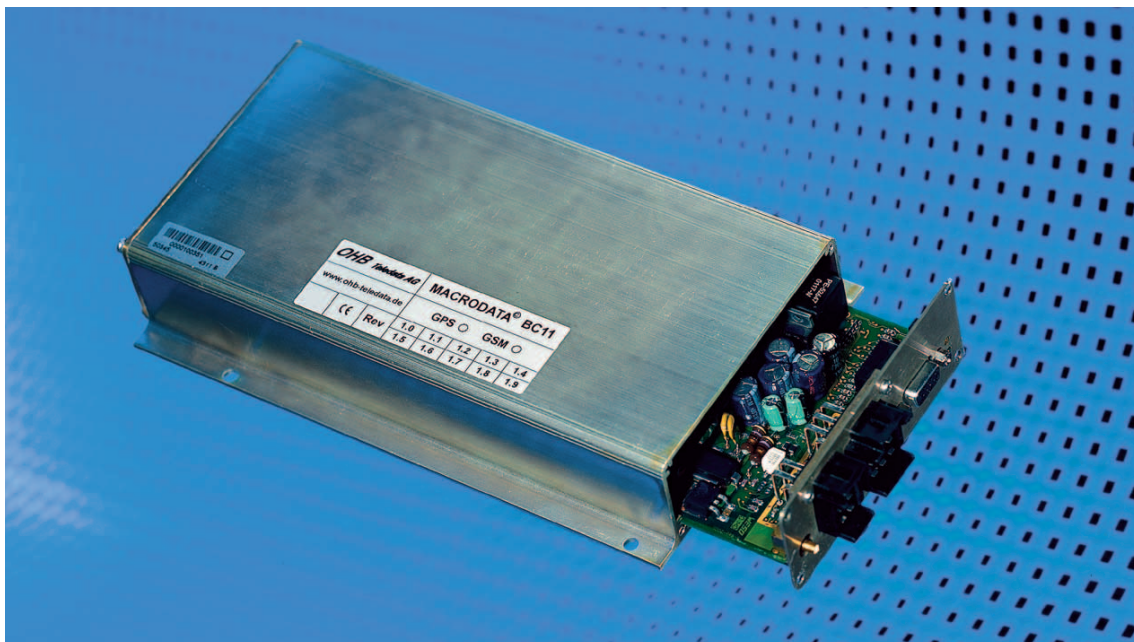
At the beginning of May, OHB-System AG and Elbit Systems Ltd., Haifa, Israel, via Elbit subsidiary ELOP Electrooptics Industries announced plans to establish a joint venture based in Bremen to be known as OHB ELeCtroOptics to develop and market electrooptical systems and infrared payloads. Electrooptical sensors make use of the visible and infrared segments of the electromagnetic spectrum and are currently being deployed on board civil satellites such as BIRD, EROS, ENVISAT and IKONOS, meteorological satellites such as the European METEOSAT and on military reconnaissance platforms. By forging this joint venture, OHB will be strengthening its activities in the area of military and civil payloads for satellites and drones. At the same time, it will be harnessing at a favorable price the extraordinary potential offered by ELOP.

The OHB Group can already reliably report that the growth targets for 2004 referred to above will be achieved thanks to current orders, with the new projects mentioned unleashing additional effects either this year or in 2005.

Telematics and Satellite Services

The OHB Group is well poised to make the most of a recovery in the telematics market thanks to its range of reliable telematics systems for accompanied and non-accompanied rail, road and water transportation as well as innovative solutions for government agencies entrusted with security tasks, e.g. the fire brigade and police. Here, OHB is targeting its end-to-end solutions at both the retrofitting and OEM segments of the telematics market.

The Management Board is convinced that with its successful leading-edge technology and optimized organizational and cost structures the Telematics business unit is superbly positioned to benefit from the dynamic growth in demand in the future.



The heart of telematics solutions – the OHB Teledata on-board computer

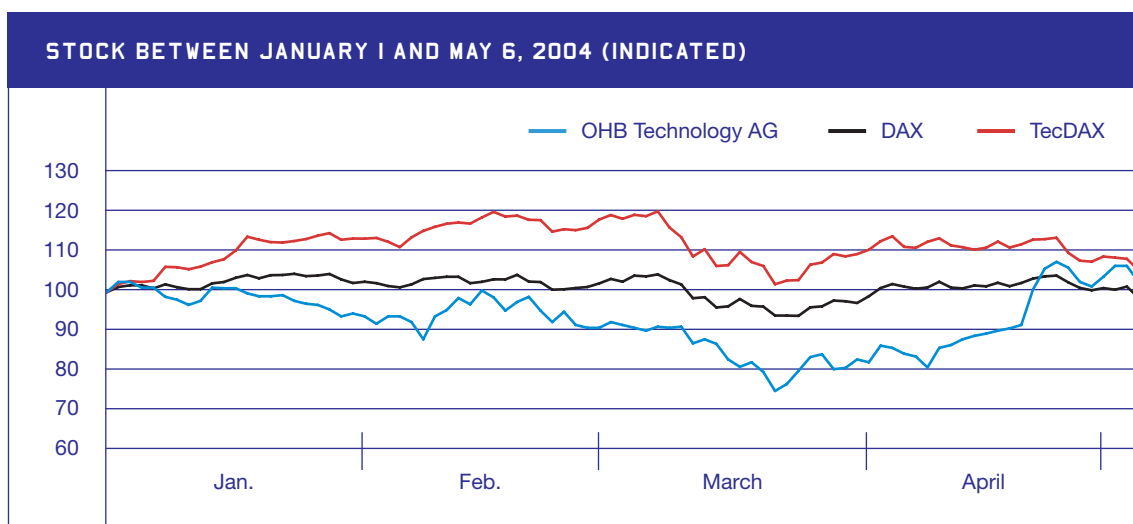
STOCK

THE STOCK AT A GLANCE	Q1 2004 EUR	Q1 2003 EUR
High, XETRA (Jan. 19, 2004 and Feb. 13, 2003)	7.24	4.44
Low, XETRA (Mar. 23, 2004 and Jan. 2, 2003)	4.92	3.00
Closing price (Mar. 31)	5.65	4.10
Average daily trading volumes as at Mar. 31	24,662	9,117
Market capitalization (Mar. 31)	84,343,742	61,205,194
Number of shares:	14,928,096	14,928,096
ISIN DE0005936124 Ticker: OHB Trading segment: Prime Standard		

Stock posting gains again

In the first three months of 2004, OHB stock lost considerable value both in absolute terms and relative to the benchmark DAX and TecDAX indices. At the end of the quarter, it had lost roughly 27% in absolute terms. By contrast, the DAX was down 3% and the TecDAX up 10% in the same period of time. On the other hand, daily trading volumes rose, more than doubling from 9,000 to roughly 25,000 shares.

After the publication of the favorable annual financial statements for 2003 and in the wake of intensified investor relations activities during road shows for analysts, financial journalists and institutional investors in Germany, the UK, France and Italy, the stock began to recover, clearly outperforming the benchmark DAX and TecDAX indices by May 6, 2004.



Further stock buyback program started

Pursuant to the authorization granted by the shareholders at the annual general meeting in the previous year, OHB Technology started buying back its own stock on February 12, 2004. This stock is primarily to be used for a new staff stock option program. This authorization expires on November 13, 2004. By March 31, 2004, the Company had bought back 104,934 of its own shares at an average price of EUR 5.77 per share. As of May 6, 2004, OHB Technology AG's treasury stock comprised a total of 113,260 shares.

These shares are carried at their cost of acquisition. Treasury stock is shown separately from the Company's share capital on the face of the balance sheet.

The shares held in excess of requirements for the staff stock option program are added to treasury stock and, if necessary, will be used as an acquisition currency. Under the terms of a previous staff compensation program, stock options not eligible for exercise in the first quarter of 2004 were issued. Accordingly, there is no difference between basic and diluted earnings per share.

SECURITIES HELD BY MEMBER'S OF THE COMPANY'S CORPORATE-GOVERNANCE BODIES ON MARCH 31, 2004	Shares	Options
Christa Fuchs – Chairwoman of the Supervisory Board	2,080,690	–
Marco R. Fuchs – Chairman of the Management Board	404,796	20,000
Prof. Manfred Fuchs – Member of the Management Board	3,438,318	–
Ulrich Schulz – Member of the Management Board	84,900	20,000

RESEARCH COVERAGE	Date	Recommendation
Berenberg Bank	April 23, 2004	Buy
Haspa	April 8, 2004	Hold
DZ Bank	March 25, 2004	Buy
KBC Peel Hunt	January 8, 2004	Buy
Sal. Oppenheim	August 15, 2003	Buy

GENERAL INFORMATION ON THE QUARTERLY REPORT

The three-month report was compiled using the International Financial Reporting Standards (IFRS). OHB Technology AG's consolidated financial statements include

- OHB Technology AG, Bremen
- OHB-System AG, Bremen
- STS Systemtechnik Schwerin GmbH
- OHB Teledata GmbH, Bremen
- megatel Informations- und Kommunikationssysteme GmbH, Bremen

- Timtec Teldatrans GmbH, Lünen
- Telematic Solutions SpA, Mailand
- ORBCOMM Deutschland AG, Bremen

The results of the non-consolidated affiliated companies are not included in the interim reports.

There have been no changes to accounting and valuation methods since the annual financial statements for 2003.

GROUP BALANCE SHEET (IFRS)	3/31/2004 EUR 000	12/31/2003 EUR 000
ASSETS		
Current assets		
Cash and cash equivalents	40,576	43,106
Short-term investments/marketable securities	0	0
Trade accounts receivables		
Trade receivables	17,268	17,983
Receivables to shareholders	50	70
Receivables to affiliated shareholders	0	0
Receivables to associated companies	807	2,079
Short-term assets		
Inventories		
Work in progress	32,208	31,078
Finished and unfinished goods	3,107	3,018
Prepaid expenses and other current assets		
Prepaid expenses	124	59
Other assets	1,678	3,226
Total current assets	95,818	100,619
Medium and long-term assets		
Property, plant and equipment	2,670	2,741
Intangible assets	7,711	8,045
Investments		
Equity interests in associated companies	25	25
Other investments	5,874	3,535
Goodwill	2,952	3,005
Deferred taxes	2,535	2,480
Others	0	0
Total assets	117,585	120,450
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short term debt and current portion of long-term debt	1,208	1,433
Trade accounts payable	9,484	30,212
Liabilities to associated companies	0	0
Advance payments received	50,612	33,131
Accruals		
Tax accruals	593	35
Other accruals	9,258	10,064
Deferred tax liability	4,505	4,511
Other current liabilities	1,383	1,140
Others	67	0
Total current liabilities	77,110	80,526
Long-term debt, less current portion	0	0
Pension accrual	575	543
Shareholders' equity		
Share capital	14,928	14,928
Additional paid-in capital	15,119	15,007
Treasury stock	- 638	- 33
Statutory reserves	43	0
Accumulated profit	9,049	8,093
Total shareholders' equity	38,501	37,995
Minority interest	1,399	1,386
Total liabilities and shareholders' equity	117,585	120,450

GROUP INCOME STATEMENT (IFRS)	1/1 – 3/31/2004 EUR 000	1/1 – 3/31/2003 EUR 000
1. Revenues	12,971	14,546
2. Other operating income	128	348
3. Changes in inventories of finished goods	1,342	2,287
4. Production for own fixed assets capitalized	298	206
Total revenues	14,739	17,387
5. Cost of purchased materials and services		
a) Cost of purchased materials	7,049	9,517
b) Cost of purchased services	458	1,190
6. Personnel expenses		
a) Wages and salaries	3,009	3,100
b) Social security levies and cost of old-age pensions	590	573
7. Depreciation and amortization	740	421
8. Other operating expenses	1,306	1,012
9. Operating income/loss EBIT	1,587	1,574
10. Interest income	190	112
11. Interest expenditure	22	33
12. Income from investments and participants	0	0
13. Result before income taxes (and minority interest) EBT	1,755	1,653
14. Income tax	– 559	– 145
15. Extraordinary income/expenses	– 73	0
16. Result before minority interests	1,123	1,508
17. Minority interests	– 12	– 43
18. Consolidated net income	1,111	1,465
19. Profit/loss carry forward	8,093	3,780
20. Allocation to additional paid in capital	– 112	0
21. Allocation to statutory reserve	– 43	0
22. Accumulated profit/loss	9,049	5,245
Earnings per share in EUR ¹⁾	0.08	0.10
Shares outstanding (March 31)¹⁾	14,814,836	14,791,496

1) basic and diluted

REPORT PER BUSINESS UNIT Q1 2004 in EUR 000	Space + Security	Tele- matics	Holding	Consoli- dation	Total
Total revenues	12,288	3,064	2	– 615	14,739
of this, internal revenues	30	435	0	– 465	0
Purchased materials and services	6,633	1,436	0	– 562	7,507
EBITDA	2,332	274	– 279	0	2,327
Depreciation and amortization	475	224	1	40	740
EBIT	1,857	50	– 280	– 40	1,587

GROUP CASH FLOW STATEMENT (IFRS)	1/1 – 3/31/2004 EUR 000	1/1 – 3/31/2003 EUR 000
Operating earnings	1,587	1,575
Income taxes paid	– 559	– 50
Depreciation / amortization	740	421
Gross cash flow	1,768	1,946
Increase (-)/decrease (+) in own work capitalized	– 173	– 206
Increase (-)/decrease (+) in inventories	– 1,218	– 2,871
Increase (-)/decrease (+) in receivables and other assets including deferred items	3,434	– 480
Increase (-)/decrease (+) in liabilities and short-term accruals	– 20,639	– 4,617
Increase (-)/decrease (+) in liabilities and short-term accruals	17,481	17,626
Increase (-)/decrease (+) in advance payments received	– 73	0
Net cash from operating activities	– 1,188	9,452
Acquisition of medium and long-term assets	– 2,448	– 155
Increase Goodwill	0	0
Proceeds from sale of medium and long-term assets	0	0
Interest and other investment income	191	112
Net cash from investing activities	– 2,257	– 43
Payments from shareholder	0	0
Changes in reserves	– 593	– 329
Payment of equity transaction costs	0	0
Increase in financial liabilities	– 225	153
Minority interests	– 13	– 43
Interest and other investment payments	– 22	– 33
Net cash from financing activities	– 853	– 252
Decrease/increase in cash & cash equivalents	– 2,530	11,103
Currency translation	0	0
Cash & cash equivalents at beginning of period	43,106	15,558
Cash & cash equivalents at end of period	40,576	26,661

GROUP STATEMENT OF CHANGE IN EQUITY (IFRS)	1/1 – 3/31/2004 EUR 000	1/1 – 3/31/2003 EUR 000
Shareholders' equity at the beginning of the period	37,995	33,286
Treasury stock	– 604	– 337
Consolidated net income	956	1,465
Allocation to additional paid in capital	111	7
Allocation to statutory reserves	43	0
Minority interests	13	43
Shareholders' equity at the end of the period	38,501	34,464

CALENDAR OF EVENTS:

Report on the first three months	May 13, 2004
Annual general meeting	May 18, 2004
Report on the first half	August 12, 2004
Report on the first nine months	November 12, 2004

MORE INFORMATION AVAILABLE FROM

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This report on the first three months as well as further information are available on the Internet at www.ohb-technolgy.de.