

Nine-month report 2010  
for the period from January 1 until September 30



TET-1 (shown here during EMC trial) sends technological models into space for testing

## TOTAL REVENUES

up 52 % to EUR 319.5 million (previous year: EUR 210.5 million)

## CONSOLIDATED NET PROFIT

up 75 % to EUR 9.8 million (previous year: EUR 5.6 million)

## ANTWERP SPACE N.V.

Acquisition completed – integration proceeding according to schedule

# COMPANY PROFILE

## The Group

With a history spanning almost 30 years, OHB Technology AG is Germany's first listed technology and space group. Five business units offer international customers sophisticated solutions and systems. In 2009, full-year consolidated total revenues came to EUR 322 million.

## Space Systems + Security

This business unit develops and fabricates low-orbiting and geostationary small satellites for navigation, research, communications and earth observation. Its manned space flight activities include the assembly and fitting of the International Space Station ISS, Columbus and ATV. The exploration segment works on studies and models for exploring our solar system, primarily the moon and Mars. Reconnaissance satellites and broadband wireless transmission of image data form core technologies for security and reconnaissance.

## Payloads + Science

This business unit produces high-quality solutions targeted at space technology, the automotive industry and process control systems. Applications range from terrestrial observation and satellite navigation to scientific payloads for exploration and the ISS as well as technology testing.

## Space International

This business unit covers all space activities outside Germany. Among other things, it is active in satellite and ground segments, micro and mini satellites, manned and unmanned space systems and scientific payloads.

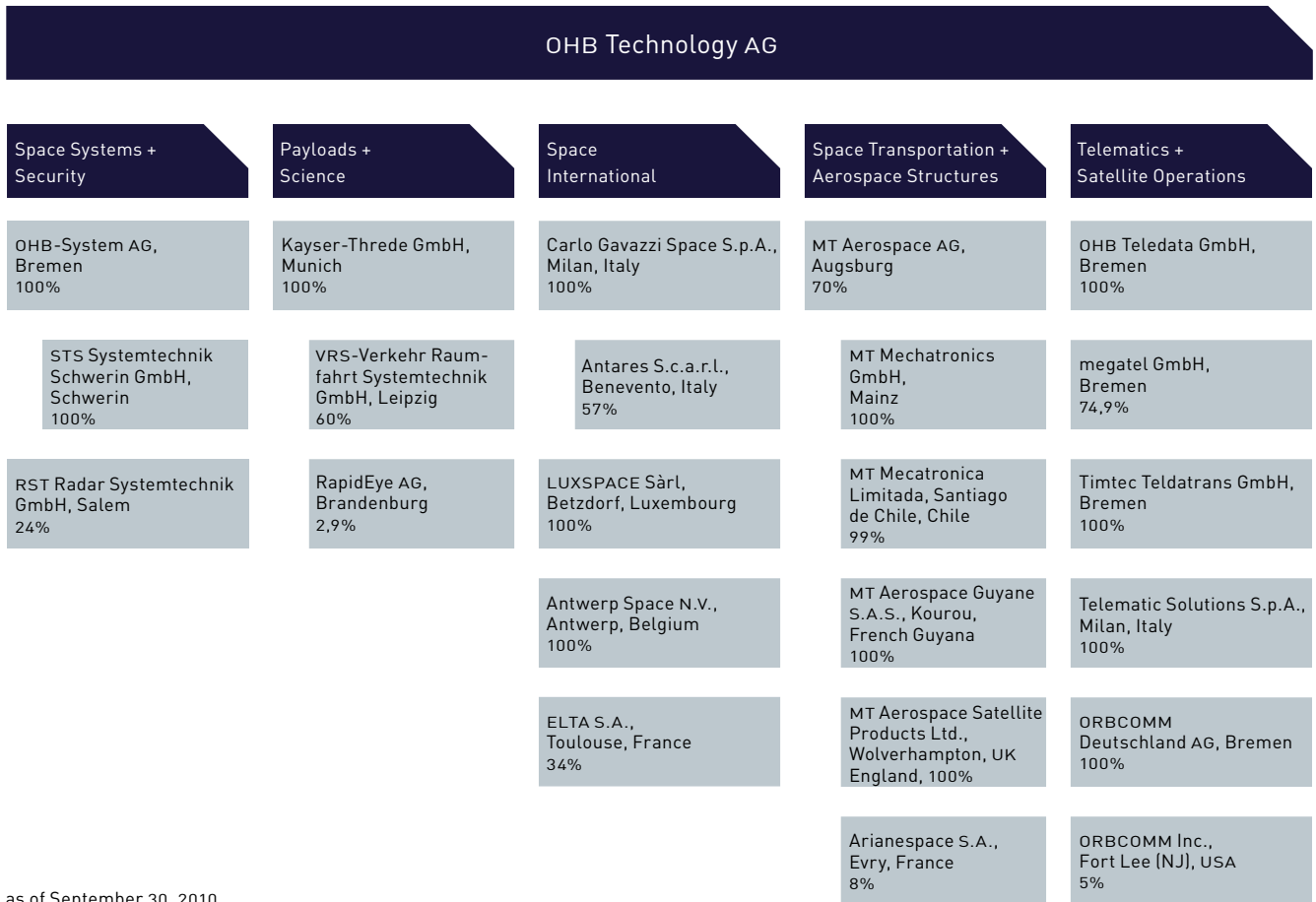
## Space Transportation + Aerospace Structures

This business unit has established itself as a significant supplier of aerospace and aeronautical structures, additionally operating as a provider of antenna and mechatronics systems. Via this business unit, the OHB Group is the largest German supplier for the Ariane 5 program, among other things.

## Telematics + Satellite Operations

OHB Technology telematics systems serve the logistics industry around the world by offering efficient transport management and consignment tracking facilities. Further key activities include OEM solutions for commercial vehicle producers, among other things, and the exclusive marketing in Europe of the communication services provided by the global ORBCOMM satellite system.

# OHB'S CURRENT GROUP STRUCTURE



as of September 30, 2010

## CONTENTS

04	Letter to the shareholders
05	The stock
07	Group management report
19	Consolidated financial statements
23	Notes

## Dear shareholders, customers and business associates,

The OHB Technology Group's generally favorable performance again gained further strength and momentum in the third quarter of 2010. The Group achieved new highs in total revenues and net profit in both the third quarter and on a cumulative basis for the first nine months of the year. At just under EUR 320 million in the first nine months of 2010, the Group's total revenues came close to the full-year figure of around EUR 322 million recorded in 2009. What was decisive, however, was the roughly 75% increase in earnings compared with the same period in the previous year and the Group's strategic positioning in the European space technology industry.

The integration of the newly acquired company Alenia Space Antwerp N.V., which has since been renamed Antwerp Space N.V. and is based in Antwerp, Belgium, is proceeding successfully and according to schedule. Antwerp Space specializes in developing and producing equipment for ground stations, particularly for telecommunications and earth observation applications, and is assembling the overarching network linking the mission and control centers of the future European satellite-based navigation system Galileo\*.

OHB-System is the general contractor for the development and fabrication of the first 14 satellites in the Galileo\* program. The satellite project is well in progress and within the defined schedule.

OHB derives a key competitive lead from its mastery of complex development and production structures, helping it to complete projects successfully on time and within budget.

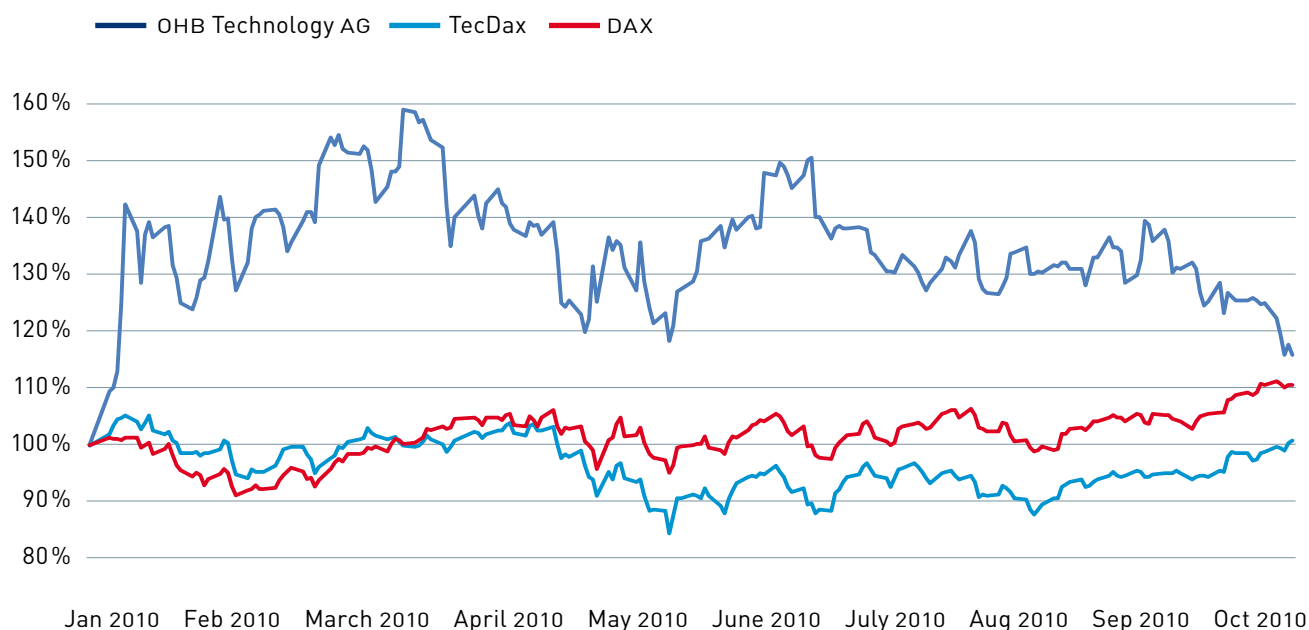
Looking forward, OHB Technology will be continuing on its successful growth trajectory with its focus on European space technology activities. We would like to take this opportunity to express our gratitude to our employees for their continued great commitment. Our thanks also go out to our shareholders for their trust in the Company.

Bremen, November 9, 2010  
The Management Board

\* see page 25

# THE STOCK

## Performance of stock from January 1 through October 29, 2010 (index-tied)



### Upward move in stock markets towards the end of the third quarter of 2010

The main international benchmark indices continued fluctuating around the levels at which they had entered the year in a range of between + 10 % and – 15 % up until the beginning of October 2010. October saw the emergence of a substantial rally, in the course of which the Dow Jones topped the previous high reached in April. Accordingly, it has advanced by 5.4 % in the year to date. In mid-October, the DAX exceeded its previous high of 6,352 points, which it had achieved at the beginning of August, reaching a new high of the year of 6,669 points, equivalent to a gain of 11.9 % since the beginning of the year. By contrast, the TecDAX has failed to return to its beginning-of-year level despite substantial gains since the end of August. This reflects the strain being exerted by the declines in regenerative energies stocks.

OHB stock continued to outperform the TecDAX up until the end of October. However, press reports appearing last month citing delays in the Galileo\* project triggered uncertainty and also exerted pressure on the stock. In actual fact, however, OHB's contribution to the Galileo\* project is proceeding fully according to schedule.

Average daily trading volumes of OHB stock have remained well up on the previous year. In the first nine months of the year, an average of more than 53,500 stocks a day were traded via Xetra and on the stock-market floor, compared with just under 10,400 in the same period of the previous year. Daily trading volumes hit a high following the announcement that OHB-Systems had been awarded the contract for constructing and testing 14 satellites for the Galileo\* European satellite navigation system on January 8, 2010, when more than 1 million OHB shares were traded for the first time on a single day.

### Research Coverage

Bank	Date	Target price in EUR	Recommendation
Commerzbank	October 11, 2010	20.00	Buy
VISCARDI	September 30, 2010	22.00	Buy
DZ BANK	August 12, 2010	17.00	Buy
HSBC Trinkaus & Burkhardt	March 19, 2010	17.50	Neutral

### Treasury stock

As of September 30, 2010, OHB Technology AG's treasury stock comprised a total of 66,954 shares, equivalent to 0.38% of its issued capital, i.e. unchanged in number since December 31, 2009.

### Securities held by members of the Company's Management Board and Supervisory Board

September 30, 2010	Shares	Change in Q3
Christa Fuchs, chairwoman of the Supervisory Board	1,500,690	-
Professor Heinz Stoewer, member of the Supervisory Board	1,000	-
Marco R. Fuchs, chairman of the Management Board	2,684,796	-
Professor Manfred Fuchs, member of the Management Board	3,763,064	-
Ulrich Schulz, member of the Management Board	54	-

### Dividend of EUR 0.25 per share paid out

At the annual general meeting held on May 19, 2010, the shareholders passed a resolution to authorize the distribution of EUR 0.25 per dividend-entitled share. As the number of dividend-entitled shares had risen to 17,468,096, the total dividend payout came to EUR 4.4 million, up from EUR 3.7 million in the previous year. The remaining unappropriated surplus of EUR 3.8 million was carried forward.

The shareholders also passed a resolution renewing the authorization to acquire and use the Company's treasury stock. In accordance with the wording of the resolution, this new authorization will remain in force until May 18, 2015.

### The stock at a glance

EUR	9M/2010	9M/2009
High, Xetra	18.34	9.51
Low, Xetra	11.50	5.85
Closing price, Xetra (final trading day of the period)	14.70	8.91
Average daily trading volumes (Xetra + floor)	53,548	10,391
Market capitalization, Xxetra (final trading day of the period)	256,781,011	155,640,735
Number of shares	17,468,096	17,468,096

ISIN: DE0005936124; stock market ticker: OHB; trading segment: Prime Standard

# GROUP MANAGEMENT REPORT

In the first nine months of 2010, the OHB Group's total revenues rose by 52% over the same period in the previous year to EUR 319.5 million. The first quarter of 2010 contributed growth of EUR 31.1 million or 47% over the year-ago quarter. In the second quarter of 2010, total revenues expanded by EUR 26.0 million or 38%, while the third quarter saw an increase of EUR 51.9 million or 69% in total revenues. The Group's growth was materially underpinned by the favorable business performance of the Space Systems+Security and Space International business units. In the Space International business unit, the acquisition of Carlo Gavazzi Space S.p.A. (CGS), which was consolidated for the first time on October 1, 2009, had a favorable effect. By comparison, this business unit had comprised only the interest in LUXSPACE Sàrl in the first nine months of 2009.

The cost of materials rose by EUR 94.5 million or around 90% to EUR 199.6 million in the first nine months of 2010, reflecting the current project structures, which are characterized by a greater proportion of external sourcing, as well as the initial consolidation of CGS. Additions to the companies consolidated and extensions to capacity caused the Group headcount to rise by 306 to 1,646, resulting in an increase of 20% in staff costs to EUR 78.1 million.

EBIT and EBITDA were materially affected by the provisional first-time consolidation of Antwerp Space N.V. in the third quarter. This provisional first-time consolidation resulted in negative goodwill of EUR 4.1 million, which is recognized through profit and loss. This favorable impact on EBIT and EBITDA partially offsets the weaker operating performance of the Space Transportation+Aerospace Structures business unit in the third quarter. EBIT in this business contracted from EUR 7.3 million in the previous year to EUR 0.8 million chiefly as a result of lower sales and the recognition of provisions to allow for a non-recurring price adjustment in the Ariane program.

However, cumulative EBITDA for the first nine months was up EUR 1.8 million or 9% on the previous year. Net of the 16% increase in depreciation/amortization expense to EUR 7.7 million caused by the additions to the companies consolidated and the Group's growth, EBIT rose by EUR 0.7 million or 5% to EUR 14.1 million.

Net finance expense declined by EUR 3.3 million in the year-ago period to EUR 1.8 million in the period under review primarily as a result of the share of profit received from an associate: MT Aerospace Guyane S.A.S. in Kourou distributed profit of EUR 3.5 million. Accordingly, profit from ordinary business activities came to EUR 12.3 million in the period under review, an increase of 22% over the previous year's figure of EUR 10.1 million.

Tax expense declined relative to the previous year to EUR 2.0 million due to exceptionals (negative goodwill and share of profit of associates). The net profit for the period attributable to OHB's shareholders rose by 75% over the previous year to EUR 9.8 million.

Cash flow from operating activities contracted by EUR 5.4 million over the previous year to EUR 6.6 million primarily as a result of the sharp billing-related rise in receivables, a substantial increase in inventories and a higher volume of prepayments received. Net cash outflow from investing activities widened by EUR 6.7 million to EUR 14.8 million chiefly as a result of investments executed in connection with liquidity management. At around EUR 44.4 million at the end of the period under review, cash and cash equivalents (net of non-current securities) were up EUR 4.0 million on the previous year.

The OHB Group's firm order backlog increased in value by around EUR 435.4 million over the previous year to EUR 1.245 billion. Of this, OHB-System AG alone accounts for EUR 647.2 million or around 52%.

As of September 30, 2010, the OHB Group's total assets were up 12% or EUR 54.6 million compared with December 31, 2009. Of this increase, current assets accounted for EUR 53.6 million, with trade receivables rising by EUR 38.1 million and inventories up EUR 22.0 million for project-related reasons. At EUR 73.6 million, cash and cash equivalents and securities were down EUR 8.4 million on the figure recorded at the end of 2009. On the other side of the balance sheet, the main growth was in current and non-current prepayments received, which rose by EUR 20.2 million to EUR 147.4 million as well as an increase of EUR 18.8 million in trade payables to EUR 75.8 million. The equity ratio climbed back to 20% as a result of the increased consolidated profit after minority interests after contracting to 19% in the first six months of the year due to the sharp increase in assets. As of December 31, 2009, the equity ratio stood at 22%.

#### Main performance indicators of the OHB Group

EUR 000s	Q3/2010	Q3/2009	Q1-Q3/2010	Q1-Q3/2009
Total revenues	126,884	74,997	319,466	210,481
EBITDA	7,503	7,618	21,807	20,016
EBIT	4,969	5,585	14,116	13,398
EBT	6,682	4,418	12,306	10,132
Net profit for the period (after minorities)	6,149	2,387	9,779	5,592
Earnings per share (EUR)	0.35	0.16	0.56	0.38
Total assets as of September, 30	496,471	349,132	496,471	349,132
Equity capital as of September, 30	101,756	85,258	101,756	85,258
Cash flow from operating activities	-	-	6,583	11,999
Capital spending	1,194	2,746	3,356	8,301
Headcount as of September, 30	1,646	1,340	1,646	1,340



## Space Systems + Security



CarbonSat constellation:  
system for satellite-based  
monitoring of CO<sub>2</sub> and methane

In the first nine months of 2010, non-consolidated total revenues in the Space Systems+Security business unit climbed almost three-fold by EUR 94.3 million over the year-ago period to EUR 148.2 million. This strong growth was materially related to the successful commencement of the Galileo\* project. The heavy advance outlays caused the cost of materials and services purchased to rise by EUR 87.6 million to EUR 120.4 million. Consequently, the cost of materials ratio widened again in the period under review to around 81 %, up from 61 % in the previous year. EBIT climbed by EUR 2.7 million or 94 % to EUR 5.6 million. The segment's EBIT margin relative to non-consolidated revenues contracted to 3.7 %, down from 5.3 % in the previous year.

### **CarbonSat: OHB-System forging a German-Chinese partnership for the joint development of a satellite constellation**

OHB-System AG will be working with the Chinese Institute of Remote Sensing Applications (IRSA), Peking, in the future under the terms of a memorandum of understanding which was signed by both parties in Peking in August. The purpose of the partnership is to develop a global satellite system known as the "CarbonSat" constellation for measuring CO<sub>2</sub> and methane, the greenhouse gases which are at the root of global warming. This idea is based on the previous research work with the ESA satellite ENVISAT, the Scanning Imaging Absorption Spectrometer for Atmospheric Chartography" (SCIAMACHY) and related Chinese research.

The increase in greenhouse gases is one of the causes of global warming. Carbon dioxide (CO<sub>2</sub>) and methane (CH<sub>4</sub>) are the two main greenhouse gases, with CO<sub>2</sub> responsible for 60 % and methane for 20 % of the rise in global temperatures since the industrial revolution. However, the results achieved to date indicate that more precise and frequent measurements are required for greater accuracy in modeling the increase in atmospheric temperatures caused by these two gases.

For this purpose, OHB-System and the Institute of Environmental Physics (IUP) at the University of Bremen working with the support of the German Aerospace Center (DLR) and economic development agency Wirtschaftsförderung Bremen have devised a new measuring system based on a satellite constellation with enhanced sensors. The concepts and technologies developed are world leaders. Consequently, it will now be possible for the first time to collect daily measurements in high local resolution to create a reliable source of data for more accurate forecasts of climatic change as a basis for political and economic decisions.

The partnership with China for the satellite-based monitoring of greenhouse gases with a view to developing a joint satellite solution is a particularly visible and substantial contribution to implementing the Kyoto Protocol. In addition, the shared development work will substantially reduce the costs for both sides.

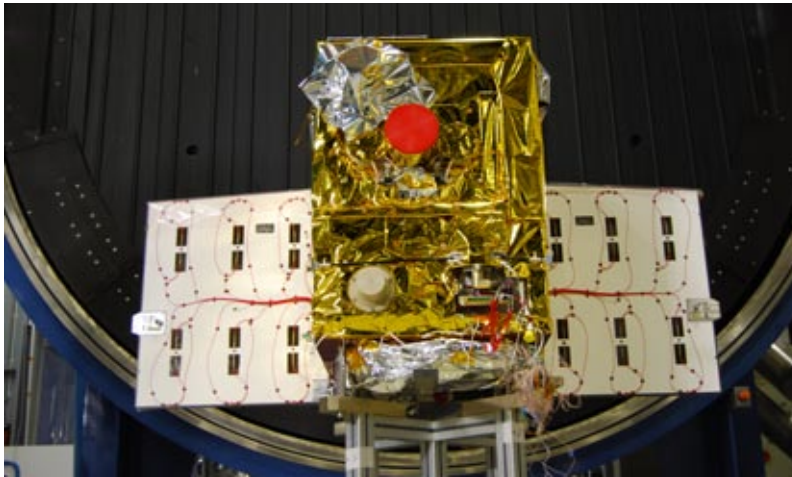
Using a German prototype satellite as a basis, a German-Chinese satellite constellation is to be assembled to which other nations can contribute further satellites. This system will be open and transparent for all countries, thus providing a globally accepted source of climatic data for the first time.

#### **Galileo\*: OHB-System on schedule**

OHB-System's work on developing and building the 14 satellites for the Galileo\* European navigation system is continuing to progress according to schedule. In the third quarter, the specifications requested by the customer ESA were submitted, thus ushering in the next phase, the preliminary design review (PDR). With the successful completion of the PDR, the customer will confirm the satellite design which has been executed as of that date. The results of this process are expected for the end of the year. OHB-System has already selected all relevant suppliers and subcontractors and awarded contracts to nearly all of them. As a result, more than 20 suppliers and subcontractors are now working on the Galileo\* Full Operational Capability (FOC) program.

\* see page 25

## Payloads + Science



TET-1 (shown here during thermal trials) sends sample technologies into space for testing

At EUR 40.3 million, non-consolidated total revenues in the Payloads+Science business unit were down EUR 12.6 million on the previous year's high level for billing-related reasons. This was accompanied by a substantial decline in the cost of materials, which dropped by EUR 11.3 million to EUR 18.7 million. As EBIT contracted by a disproportionately small amount of EUR 0.5 million to EUR 1.8 million, the EBIT margin widened slightly from 4.5% in the previous year to 4.6%.

### TET-1 satellite: Headed in leaps and bounds for launching

In August, the TET-1 technology mule received approval for qualification testing, undergoing simulated 24-hour mission operations in which 15 orbits with five direct data transmissions were simulated and standard experiment programs executed at Kayser-Threde's integration room. In September, TET-1 was examined intensively for viability at the IABG space testing center located not far away in Ottobrunn. Comprising vibration, acoustic and shock testing, electromagnetic compatibility (EMC) testing, thermal vacuum tests and tests to determine the satellite's mass properties, the extensive qualification program was completed successfully. The flight unit is to undergo final testing by the customer DLR in the fourth quarter.

### NLES-G2: Correction data for GPS receivers

Within the EGNOS (European Geostationary Navigation Overlay Service) navigation service, the second-generation navigation land earth station will be providing correction data for GPS users. Provided free of charge, this service is primarily used by aircraft during descent. NLES is the link in the EGNOS system with a geostationary satellite. On behalf of the European Space Agency (ESA), Thales Alenia Space France has awarded Kayser-Threde a contract for the delivery of the NLES systems by mid-2012.

### Continued success in the tenth year of plasma crystal research

The thirteenth mission of the German-Russian research module PK-3 Plus, which had been produced by Kayser-Threde, was completed with great success at the beginning of July on board the International Space Station ISS. The basic findings on plasma (the fourth state of matter) have practical repercussions for a wide range of different areas such as environmental protection, medicine, the production of solar cells and semiconductor production. The series of experiments performed focused on crystallization, melting, discharge and agglomeration.

### Telescope for Wendelstein, Munich's "own" mountain

Kayser-Threde is the prime contractor in the construction of the technically sophisticated 2m Fraunhofer telescope for the new Wendelstein observatory operated by Ludwig-Maximilian University in Munich. A celebration marking the half-way completion of the dome and the building was held at the end of June. Assuming that the project continues to progress according to schedule, the telescope will be installed in early summer 2011 (weather permitting). Kayser-Threde has completed the development and design work on the telescope, which will come equipped with a wide-angle camera (to capture the diameter of the full moon) and a multi-channel camera (to permit photographs to be made in optical wave lengths as well as in the near-infrared range).

## Space International



Building of Antwerp Space N.V., which was acquired in July 2010 (formerly Thales Alenia Space Antwerp)

The Space International business unit was established on October 1, 2009 with the acquisition of Carlo Gavazzi Space (CGS) and comprises the activities of CGS and LUXSPACE Sàrl as well as Antwerp Space N.V. (formerly Thales Alenia Space Antwerp), which was acquired in July 2010. In the first nine months of 2010, the business unit generated non-consolidated total revenues of EUR 35.1 million. With the cost of materials and services purchased coming to EUR 19.3 million and depreciation/amortization expense standing at EUR 1.2 million, EBIT of EUR 2.0 million was achieved, translating into an EBIT margin of 5.6%.

### Post-merger integration of Antwerp Space N.V.

In a further step to implement its European growth strategy, OHB Technology AG acquired all of the capital of Thales Alenia Space Antwerp N.V., Antwerp, Belgium, on July 19, 2010. Consolidated in full from August 1, 2010.

This company specializes in developing and producing equipment for ground stations, particularly in the telecommunications and earth observation segments, and is currently being integrated within the OHB Group. After being renamed Antwerp Space N.V. on October 28, 2010 (publication in "Belgisch Staatsblad"), it will reinforce the Space International business unit. The most important project currently being pursued by Antwerp Space N.V. is the assembly of the overarching network linking the mission and control centers of the future Galileo\* European satellite-based navigation system. Moreover, the company's future strategy is currently being reviewed and will additionally entail activities outside the ground segment.

### New satellite project at CGS: ESEO mission

The educational satellite project for ESA is currently undergoing the PDR (preliminary design review) process. ESEO, the European Student Earth Orbiter, is a planned microsatellite which will be designed, built and operated by a network of European students in conjunction with the European Space Agency ESA. CGS is managing and tutoring the network of European Universities involved in the project and also performing the system level tasks to accomplish the mission.

\* see page 25

### Satellite-based monitoring of Italian overland electricity grid

Phase 1 (feasibility) of the "SPACEGRID" project (part of the ESA ARTES-20 Integrated Applications Program) has been completed with the cost/benefit analysis performed by TERNA. The services selected by TERNA for implementation and demonstration in Phase 2 are as follows:

Earth observation services:

- 1) Monitoring of grid pylon deformations using radar interferometry,
- 2) Support for a wind power prediction service using a limited area model.

Satellite telecommunications:

The start topology network is to be used as

- 1) a redundant link connecting TERNA power stations and the control centers
- 2) a primary link connecting new wind farms and the control centers
- 3) a data link connecting control centers and nomadic terminal used for grid maintenance.

A new contract is expected to be signed with ESA in December 2010 for a pilot project demonstrating these services.

### Energy supply systems for lunar research

In the period under review, CGS completed negotiations with ESA for a new contract concerning a study on energy provision and management (EP & M) systems for human lunar exploration. The study covers system level activities for the EP & M architecture and the definition and development of technologies for fuel cells suitable for application including the realization and testing of a breadboard.

### LUXSPACE Sàrl awarded contracts for AIS satellites

ORBCOMM Inc. awarded LUXSPACE Sàrl a contract to construct and launch two AIS microsattellites and to provide the required ground segment equipment.

Scheduled for launch in 2011, these two satellites will provide additional coverage and AIS data in the polar and equatorial regions and supplement ORBCOMM's constellation of 18 AIS-enabled next-generation satellites that are to go into operation from next year onwards. This constellation and the existing worldwide ground infrastructure are designed to provide AIS users with the most comprehensive and near real-time coverage of any satellite system. LUXSPACE Sàrl successfully demonstrated its expertise with the launch of Pathfinder 2 in September 2009, which continues to provide AIS data.

### LUXSPACE study for the European Investment Bank (EIB)

In the third quarter, LUXSPACE prepared an infrastructure study based on high-resolution satellite images at very short notice as a service for EIB, which will be using this data as a basis for its investment decisions. LUXSPACE has been working very closely with the European Investment Bank for more than two years and is supporting various investment projects around the world by means of ancillary monitoring activities based on satellite data.

## Space Transportation + Aerospace Structures



Development of innovative  
new tank domes

At EUR 96.9 million in the first nine months, the non-consolidated total revenues of the Space Transportation + Aerospace Structures business unit were down EUR 7.4 million on the previous year. The cost of materials and services purchased increased from EUR 49.8 in the year-ago period to EUR 51.4 million in the current year. Consequently, EBIT contracted by EUR 6.5 million to EUR 0.8 million, with the EBIT margin shrinking to 0.8%, down from 7.0% in the same period of the previous year. The reduced EBIT was chiefly the result of lower sales and the recognition of provisions to allow for a non-recurring price adjustment in the Ariane program.

### Development of the ARIANE 5 Mid-Life Evolution upper stage (Ariane 5 ME)

Following the completion of the LSCR (Launcher System Concept Review) ESA (European Space Agency) gave the go-ahead for the next steps in the development of the new Ariane 5 upper stage in July 2010.

Thanks to material improvements in payload capacity and mission flexibility, the new Ariane 5 upper stage will be systematically targeted at meeting the satellite operators' requirements. The aim is to achieve maximum weight savings as well as meeting enormous technological requirements at competitive prices.

MT Aerospace is responsible for the load-bearing propellant tank with two neighboring chambers holding liquid hydrogen and liquid oxygen. The tank is one of the most critical components in the upper stage as the common bulkhead including the insulation must be completely redeveloped and tested.

Among other things, the purpose is to develop the sandwich structure patented by MT Aerospace for the common bulkhead fitted to the Ariane 5 ME. After the definition studies are completed now, MT Aerospace expects to be awarded the first development contract in the first quarter of 2011.

### **Development of a SGEO xenon tank**

Work on the development of the xenon tank for the SGEO satellite platform is proceeding according to schedule. A further important milestone was reached with the completion of the qualification model on time and in budget.

On October 5, approval for the pressure test to gain a preliminary idea of the capabilities of the high-pressure tank was granted in the presence of the customer as well as representatives of OHB and ESA. The approval for the remaining qualification campaign including vibration and fatigue testing based on the findings gained up until that date is expected for the end of November.

### **MT Aerospace awarded contract for important ESA technology study**

MT Aerospace has been awarded the contract for a study into the structural integrity of pressurized structures under the ESA Technology and Research Program (TRP).

The project addresses new, non-linear damage tolerance methods for forecasting and evaluating pressurized space structures such as tanks or booster casings. The methods currently used to forecast component failure are based on models with a linear material response. However, as these cannot be applied to heavily stressed components, MT Aerospace has for many years been investigating and testing more sophisticated methods permitting a precise analysis of complex components and applications.

### **Successful further development of friction-stir-welded and spin-molded aluminum-lithium tank domes for carrier applications**

Working in collaboration with Lockheed Martin Space Systems and NASA, MT Aerospace has successfully completed a program for fabricating inexpensive and highly efficient tank domes for future carrier systems.

Under this development program, tank domes were produced using highly rigid aluminum-lithium alloy for the first time. Compared with conventional materials used in space technology, this alloy exhibits greater rigidity combined with reduced density and permits weight savings of up to 25%.

To date, domes with a diameter of up to 5.4 meters have been produced to successfully demonstrate the feasibility of the new material. Looking forward, the entire process (FSW, spin-molding) is to be industrialized and additionally used for larger-diameter tanks fitted to future heavy-lift carriers.

## Telematics + Satellite Operations



Steel production at NMLK in Russia: megatel is developing the visualization of the Level 2 dialogs in the process management system.

The Telematics+Satellite Operations business unit generated non-consolidated total revenues of EUR 10.7 million in the first nine months of 2010, i.e. down a slight EUR 0.5 million on the same period in the previous year. As the cost of materials and services purchased also contracted by largely the same rate by EUR 0.3 million to EUR 5.3 million, the business unit reported EBIT of a small amount, following on from the figure of EUR 0.3 million achieved in the previous year.

### **megatel: Modernization of the cold roll line 2 L2 for Novolipetsk Steel (NLMK) in Lipetsk, Russia**

Converteam GmbH in Berlin has been awarded the contract to modernize the single-stand cold roll line 2 for one of the leading Russian steel producers, NLMK Novolipetsk Steel in Lipetsk (Russia). As a sub-contractor, megatel is responsible for the visualization of the Level 2 dialogs in the process management system. This entails developing dialogs for the entry area and the master control system. These dialogs are used to manage and edit the input and output sequences as well as the the milling data.

The system will be going into operation on site in Russia between November 2010 and January 2011 and will be overseen in person by megatel staff, among others.

### **Work by OHB Teledata progressing on the specifications for the battery system for marine use**

The project for lithium-ion batteries for marine use for HDW Kiel is currently in the specification phase, during which technical details with respect to functional safety and the interfaces with the boat in particular are defined and determined. This phase is expected to be completed in November 2010 and will provide the basis for the implementation of a system prototype.

### **Battery management for electric drives in hybrid automobiles successfully tested**

OHB Teledata successfully completed preliminary field-testing of the system in vehicles; in the current phase of the project, the changes requested by the customer, which primarily concern the comfort of the system, are being implemented under a follow-up contract.

### **Follow-up contract for new “C4i command and control center” awarded in Kuwait**

Following the successful completion of the first infrastructure product in Kuwait, OHB Teledata will be again supplying core components required for monitoring a further major infrastructure project. The first kick-off meeting is scheduled for November 2010, with the project expected to have a duration of two years.



## Segment reporting

Q1-Q3/2010	Space Systems + Security	Payloads + Science	Space Inter- national	Space Transpor- tation + Aerospace Structures	Tele- matics + Satellite Operations	Holding company	Consoli- dation	Total
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Sales	145,791	37,347	32,402	71,183	10,284	0	- 15,562	281,445
of which internal sales	5,188	216	5,603	154	4,097	0	- 15,258	0
Total revenues	148,168	40,306	35,053	96,893	10,672	6,925	- 18,551	319,466
Cost of materials and services purchased	120,441	18,662	19,320	51,354	5,256	0	- 15,430	199,603
EBITDA	7,192	2,580	3,189	3,804	1,031	4,011	0	21,807
Depreciation/ amortization	1,640	740	1,239	3,054	1,018	38	- 38	7,691
EBIT	5,552	1,840	1,950	750	13	3,973	38	14,116
EBIT-margin	3.7%	4.6%	5.6%	0.8%	0.1%	-	-	4.4%

Q1-Q3/2009	Space Systems + Security	Payloads + Science	Space Inter- national	Space Transpor- tation + Aerospace Structures	Tele- matics + Satellite Operations	Holding company	Consoli- dation	Total
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Sales	53,152	51,374	2,203	78,029	14,356	0	- 13,861	185,253
of which internal sales	10,373	53	39	4	2,404	0	- 12,873	0
Total revenues	53,843	52,885	2,388	104,316	11,204	1,763	- 15,918	210,481
Cost of materials and services purchased	32,837	29,997	623	49,770	5,580	0	- 13,695	105,112
EBITDA	4,413	3,640	523	10,203	1,212	25	0	20,016
Depreciation/ amortization	1,546	1,256	12	2,912	894	36	- 38	6,618
EBIT	2,867	2,384	511	7,291	318	- 11	38	13,398
EBIT-Marge	5.3%	4.5%	21.4%	7.0%	2.8%	-	-	6.4%

## Research and development

At EUR 9.9 million in the first nine months of 2010, research and development expense was up EUR 2.3 million on the year-ago figure of EUR 7.6 million.

## Capital spending

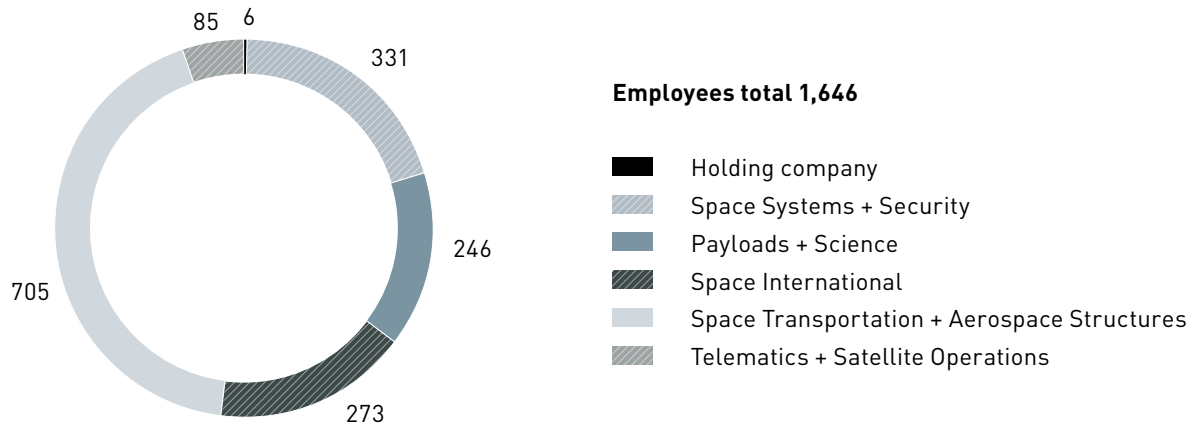
Capital spending by the OHB Technology Group came to EUR 3.4 million in the first nine months of 2010 (previous year: EUR 8.1 million).

## Employees

The increase of 306 in the headcount to 1,646 includes the 213 employees at CGS, which had not yet been consolidated in the first half of the previous year. In addition, capacity in the Space Systems + Security business unit in particular was stepped up.

### Employees

Number of employees by business unit as of September 30, 2010



## Material events occurring after September 30, 2010

### Two new satellites placed in orbit by Ariane 5

At 23:51 hours CEST on October 28, a further two television satellites were successfully placed in orbit by an Ariane 5 launch vehicle which had lifted off from the European launch pad in Kourou, French-Guyana. This mission to place telecommunications satellites in orbit marked the fourth launch of an Ariane-5-ECA in 2010 and the 39<sup>th</sup> successful flight in a row, thus demonstrating once more the European launch vehicle's reliability.

## Risk and opportunity report

The risk report included in the annual report for 2009 describes in detail the risks to the Company's business performance. There were no material changes in the OHB Technology Group's risk profile in the period under review.

## Outlook

The OHB Technology Group expects total full-year revenues to increase to EUR 420-440 million in 2010, accompanied by a rise in EBITDA to EUR 32-35 million. At the same time, EBIT should climb to EUR 22-24 million. Despite the high order backlog and resultant favorable capacity utilization across the Group as a whole, it is still too early to issue any precise guidance for 2011. Even so, we feel confident in assuming further growth in all main financial parameters in that year.

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated IFRS income statement

EUR 000s	Q3/2010	Q3/2009	Q1-Q3/2010	Q1-Q3/2009
1. Sales	114,255	69,544	281,445	185,253
2. Changes in inventories of finished goods and work in progress	5,145	1,951	24,390	16,275
3. Other own work capitalized	1,639	1,894	5,191	3,335
4. Other operating income	5,845	1,608	8,440	5,618
<b>5. Total revenues</b>	<b>126,884</b>	<b>74,997</b>	<b>319,466</b>	<b>210,481</b>
6. Cost of materials	86,047	38,860	199,603	105,112
7. Staff costs	26,366	22,101	78,085	65,100
8. Depreciation/amortization	2,534	2,033	7,691	6,618
9. Other operating expenses	6,968	6,418	19,971	20,253
<b>10. Earnings before interest and taxes (EBIT)</b>	<b>4,969</b>	<b>5,585</b>	<b>14,116</b>	<b>13,398</b>
11. Earnings before interest and taxes (EBIT)	289	120	555	515
12. Interest and similar expenses	1,389	1,255	5,166	3,841
13. Currency translation losses	- 72	- 32	- 84	60
14. Share of profit of associates	0	0	0	0
15. Share of profit of investees	2,885	0	2,885	0
<b>16. Net finance expense</b>	<b>1,713</b>	<b>- 1,167</b>	<b>- 1,810</b>	<b>- 3,266</b>
<b>17. Earnings before taxes</b>	<b>6,682</b>	<b>4,418</b>	<b>12,306</b>	<b>10,132</b>
18. Income taxes	171	1,350	1,999	3,264
<b>19. Consolidated net profit for the period</b>	<b>6,511</b>	<b>3,068</b>	<b>10,307</b>	<b>6,868</b>
20. Minorities	- 362	- 681	- 528	- 1,276
<b>21. Consolidated net profit after minorities</b>	<b>6,149</b>	<b>2,387</b>	<b>9,779</b>	<b>5,592</b>
22. Consolidated net profit brought forward	56,828	45,894	53,198	42,689
23. Additions to share premium	0	0	0	0
<b>24. Consolidated net profit</b>	<b>62,977</b>	<b>48,281</b>	<b>62,977</b>	<b>48,281</b>
25. Number of shares	17,401,142	14,861,142	17,401,142	14,861,142
26. Earnings per share (basic in EUR)	0.35	0.16	0.56	0.38
27. Earnings per share (diluted in EUR)	0.35	0.16	0.56	0.38

## IFRS statement of comprehensive income

EUR 000s	Q3/2010	Q3/2009	Q1-Q3/2010	Q1-Q3/2009
<b>Consolidated net profit for the period</b>	<b>6,511</b>	<b>3,068</b>	<b>10,307</b>	<b>6,868</b>
Net losses from the measurement of financial assets recorded under equity	401	1,418	- 470	681
Deferred income taxes on net losses from the measurement of financial assets recorded under equity	0	0	0	0
Changes in net losses from the measurement of financial assets recorded under equity	401	1,418	- 470	681
Cash flow hedges	394	- 84	70	90
Deferred income taxes on cash flow hedges	- 144	26	- 44	- 28
Changes in net cash flow hedges recorded under equity	250	- 58	26	62
<b>Other comprehensive income after tax</b>	<b>651</b>	<b>1,360</b>	<b>- 444</b>	<b>743</b>
<b>Comprehensive income</b>	<b>7,162</b>	<b>4,428</b>	<b>9,863</b>	<b>7,611</b>
Of which attributable to				
- equity holders of OHB Technology AG	6,725	3,764	9,327	6,316
- other equity holders	437	664	536	1,295

**IFRS consolidated cash flow statement**

<b>EUR 000s</b>	<b>Q1-Q3/2010</b>	<b>Q1-Q3/2009</b>
Earnings before interest and taxes	14,116	13,398
Non-cash income from first-time consolidation	- 4,084	0
<b>Net operating profit</b>	<b>10,032</b>	<b>13,398</b>
Income taxes paid	- 1,758	- 3,264
Other non-cash expenses (+)/income (-)	0	0
Depreciation/amortization	7,692	6,618
Changes in pension provisions	1,354	1,054
<b>Gross cash flow</b>	<b>17,320</b>	<b>17,806</b>
Increase in internally generated assets	- 4,980	- 3,277
Increase (-) in inventories	- 20,629	- 26,639
Increase (-)/decrease (+) in receivables and other assets	- 20,723	5,440
Increase (+)/decrease (-) in liabilities and current provisions	16,134	- 6,143
Increase (+) in prepayments received	19,454	24,731
Loss (+) from the disposal of non-current assets	7	81
<b>Cash generated by operating activities</b>	<b>6,583</b>	<b>11,999</b>
Payments made for investments in non-current assets incl. goodwill	- 3,356	- 8,301
Changes to consolidated companies	5,464	0
Payments received from disposals of non-current assets	12	0
Interest and other investment income	3,375	515
Payments made in connection with items not allocated to operating or financing activities	- 20,271	- 302
<b>Cash outflow from investing activities</b>	<b>- 14,776</b>	<b>- 8,088</b>
Dividend payment	- 4,350	- 3,715
Changes in reserves	20	0
Payments made for the settlement of financial liabilities	- 22,211	- 2,538
Payments received from raising borrowings	29,802	0
Acquisition of treasury stock	0	0
Minority interests	- 1,973	0
Interest and other finance expense	- 4,551	- 3,841
<b>Cash outflow from financing activities</b>	<b>- 3,263</b>	<b>- 10,094</b>
Cash changes to cash and cash equivalents	- 11,456	- 6,183
Consolidation-related changes to cash and cash equivalents	0	0
Currency-translation-related changes to cash and cash equivalents	- 84	60
Cash and cash equivalents at the beginning of the period	55,892	46,565
<b>Cash and cash equivalents at the end of the period</b>	<b>44,352</b>	<b>40,442</b>
<b>Cash and cash equivalents including securities</b>		
<b>January 1</b>	<b>82,005</b>	<b>67,077</b>
Changes to cash and cash equivalents including securities	- 8,361	- 13,536
<b>September 30</b>	<b>73,644</b>	<b>53,541</b>

## IFRS consolidated balance sheet

EUR 000s	9/30/2010	12/31/2009
<b>Assets</b>		
Goodwill	7,687	7,687
Other intangible assets	27,597	25,967
Property, plant and equipment	53,106	53,785
Shares in associates	2,284	2,284
Other financial assets	8,972	10,039
<b>Non-current assets</b>	<b>99,646</b>	<b>99,762</b>
Other non-current receivables and assets	4,893	4,755
Securities	5,236	5,171
Deferred income taxes	5,528	4,608
<b>Other non-current assets</b>	<b>15,657</b>	<b>14,534</b>
<b>Non-current assets</b>	<b>115,303</b>	<b>114,296</b>
Inventories	124,734	102,687
Trade receivables	170,978	132,896
Other tax receivables	9,192	6,997
Other non-financial assets	7,856	8,195
Securities	24,056	20,942
Cash and cash equivalents	44,352	55,892
<b>Current assets</b>	<b>381,168</b>	<b>327,609</b>
<b>Total assets</b>	<b>496,471</b>	<b>441,905</b>
<b>Equity and liabilities</b>		
Subscribed capital	17,468	17,468
Share premium	15,114	15,094
Retained earnings	520	520
Unrealized gains and losses recognized under equity	- 3,610	- 3,238
Treasury stock	- 632	- 632
Consolidated profit after minority interests	62,977	57,549
<b>Equity net of minority interests</b>	<b>91,837</b>	<b>86,761</b>
Minority interests	9,919	11,364
<b>Equity</b>	<b>101,756</b>	<b>98,125</b>
Provisions for pensions and similar obligations	74,005	71,568
Non-current other provisions	4,190	2,828
Non-current financial liabilities	38,480	14,379
Non-current advance payments received on orders	61,453	57,933
Deferred income tax liabilities	10,696	9,535
<b>Non-current liabilities and provisions</b>	<b>188,824</b>	<b>156,243</b>
Current provisions	24,176	20,000
Current financial liabilities	13,239	29,583
Trade payables	75,803	56,966
Current advance payments received on orders	85,910	69,186
Tax liabilities	2,367	5,236
Current other liabilities	4,396	6,566
<b>Current liabilities</b>	<b>205,891</b>	<b>187,537</b>
<b>Total equity and liabilities</b>	<b>496,471</b>	<b>441,905</b>

## IFRS consolidated statement of changes in equity

EUR 000S	Sub- scribed capital	Share premium	Retained earnings	Reva- luation surplus	Consoli- dated profit after minority interests	Treasury stock	Equity before minority interests	Minority interests	Total equity
<b>Balance on December 31, 2008</b>	<b>14,928</b>	<b>15,148</b>	<b>520</b>	<b>- 4,014</b>	<b>46,404</b>	<b>- 632</b>	<b>72,354</b>	<b>9,008</b>	<b>81,362</b>
Dividend payment	0	0	0	0	- 3,715	0	- 3,715	0	- 3,715
Net profit for the period	0	0	0	0	5,592	0	5,592	1,276	6,868
Unrealized gains and losses recognized under equity	0	0	0	743	0	0	743	0	743
Additions to share premium	0	0	0	0	0	0	0	0	0
Acquisition of treasury stock	0	0	0	0	0	0	0	0	0
Changes in companies consolidated	0	0	0	0	0	0	0	0	0
<b>Balance on September 30, 2009</b>	<b>14,928</b>	<b>15,148</b>	<b>520</b>	<b>- 3,271</b>	<b>48,281</b>	<b>- 632</b>	<b>74,974</b>	<b>10,284</b>	<b>85,258</b>
<b>Balance on December 31, 2009</b>	<b>17,468</b>	<b>15,094</b>	<b>520</b>	<b>- 3,238</b>	<b>57,549</b>	<b>- 632</b>	<b>86,761</b>	<b>11,364</b>	<b>98,125</b>
Dividend payment	0	0	0	0	- 4,351	0	- 4,351	0	- 4,351
Net profit for the period	0	0	0	0	9,779	0	9,779	528	10,307
Unrealized gains and losses recognized under equity	0	0	0	- 372	0	0	- 372	0	- 372
Additions to share premium	0	20	0	0	0	0	20	0	20
Acquisition of treasury stock	0	0	0	0	0	0	0	0	0
Dividends paid on minority interests	0	0	0	0	0	0	0	- 1,973	- 1,973
<b>Balance on September 30, 2010</b>	<b>17,468</b>	<b>15,114</b>	<b>520</b>	<b>- 3,610</b>	<b>62,977</b>	<b>- 632</b>	<b>91,837</b>	<b>9,919</b>	<b>101,756</b>

# NOTES

## General information on the nine-month report

OHB Technology AG is a listed stock corporation domiciled in Germany. The consolidated financial statements for the interim report on OHB Technology AG and its subsidiaries (the "Group") for the first nine months of 2010 were approved for publication in a resolution passed by the Management Board on November 9, 2010.

In diesem Zwischenabschluss wird die Antwerp Space N.V. erstmalig einbezogen; die durchgeführte Erstkonsolidierung ist als vorläufig zu betrachten.

OHB Technology AG's interim consolidated financial statements include the following companies:

- |   |   |
|---|---|
| → OHB-System AG, Bremen                     | → MT Aerospace Grundstücks GmbH & Co. KG, Grünwald                  |
| → STS Systemtechnik Schwerin GmbH, Schwerin | → MT Mechatronics GmbH, Mainz                                       |
| → Kayser-Threde GmbH, Munich                | → OHB Teledata GmbH, Bremen   |
| → KT Beteiligungs GmbH & Co. KG, Munich     | → megatel Informations- und Kommunikations-<br>Systeme GmbH, Bremen |
| → Carlo Gavazzi Space S.p.A., Milan         | → Timtec Teldatrans GmbH, Bremen                                    |
| → LUXSPACE Sàrl, Betzdorf                   | → Telematic Solutions S.p.A., Milan                                 |
| → Antwerp Space N.V., Antwerp               | → ORBCOMM Deutschland AG, Bremen                                    |
| → MT Aerospace Holding GmbH, Bremen         |   |
| → MT Aerospace AG, Augsburg                 |   |

Antwerp Space N.V. has been included in this interim report for the first time; initial consolidation is provisional only.

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

## Basis for reporting

OHB-Technology AG executed a non-cash equity issue in connection with the acquisition of 100% of the capital of Carlo Gavazzi Space S.p.A. As a result, its issued capital increased by EUR 2,540,000.00 to EUR 17,468,096.00. The equity issue was entered in the commercial register of Bremen on September 30, 2009.

These unaudited interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the related interpretations of the International Accounting Standards Board (IASB) applicable to interim reporting as endorsed by the European Union and the additional provisions of commercial law to be applied in accordance with Section 315a (1) of the German Commercial Code. Accordingly, this interim report does not include all the information or notes required by IFRS for the consolidated financial statements to be prepared for a full year.

The Management Board takes the view that these unaudited interim consolidated financial statements contain all adjustments needed to provide a true and fair view of the Company's net assets, financial position and results of operations. The results for the period ending September 30, 2010 are not necessarily a guide to the Company's future performance.

In connection with the preparation of the interim consolidated financial statements in accordance with IAS 34 "Interim Financial Reporting", the Management Board is required to make certain assessments and estimates as well as assumptions influencing the application of the accounting principles within the Group and the recognition of assets and liabilities as well as income and expenses. The actual amounts may vary from such estimates and adjustments.

The recognition and measurement methods used in the interim consolidated financial statements match those applied to the consolidated financial statements as of the end of the last financial year.

Income taxes are calculated on the basis of a tax rate of around 32%.

There have been no material changes in the basis underlying the estimates applied since the annual report for 2009. A detailed description of the accounting principles can be found in the notes to the consolidated financial statements included in the annual report for 2009.

#### **Audit review**

This interim report has not been audited or reviewed by a statutory auditor in accordance with Section 317 of the German Commercial Code.

#### **Responsibility statement issued by management in accordance with Section 37y of the German Securities Trading Act in conjunction with Section 37w (2) No. 3 of the German Securities Trading Act:**

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.”

Bremen, November 9, 2010

The Management Board



Marco Fuchs  
CEO



Prof Dr Manfred Fuchs  
COO Space



Ulrich Schulz  
COO Telematics



# CALENDAR OF EVENTS 2010/2011

Nine-month report/conference call	November 9, 2010
Analyst and Investor Conference Deutsches Eigenkapitalforum Frankfurt am Main	November 23, 2010
Capital Market Day	February 10, 2011
Annual report/annual accounts press conference, Bremen	March 16, 2011
Analysts conference, Frankfurt/Main	March 16, 2011
Three-month report/conference call	May 12, 2011
Annual general meeting, Bremen	May 12, 2011
Half year report/conference call	August 10, 2011
Nine-month report/conference call	November 9, 2011

## Pictures:

- Title: Kayser-Threde GmbH, Munich
- Page 09: OHB-System AG, Bremen
- Page 11: Kayser-Threde GmbH, Munich
- Page 12: Antwerp Space N.V., Antwerp, Belgium
- Page 14: MT Aerospace AG, Augsburg
- Page 16: Novolipetsk Steel, Lipetsk, Russia

\* The OHB project forms part of the Galileo program, which has been initiated and is being funded by the European Union (EU). The European Space Agency (ESA) is acting on behalf and in the name of the EU. "Galileo" is a registered trademark owned by the EU and ESA and registered under OHIM application number 002742237.

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This nine-month report and further information  
are available on our website at:

**[www.ohb-technology.de](http://www.ohb-technology.de)**



OHB Technology  
Official partner to Werder Bremen