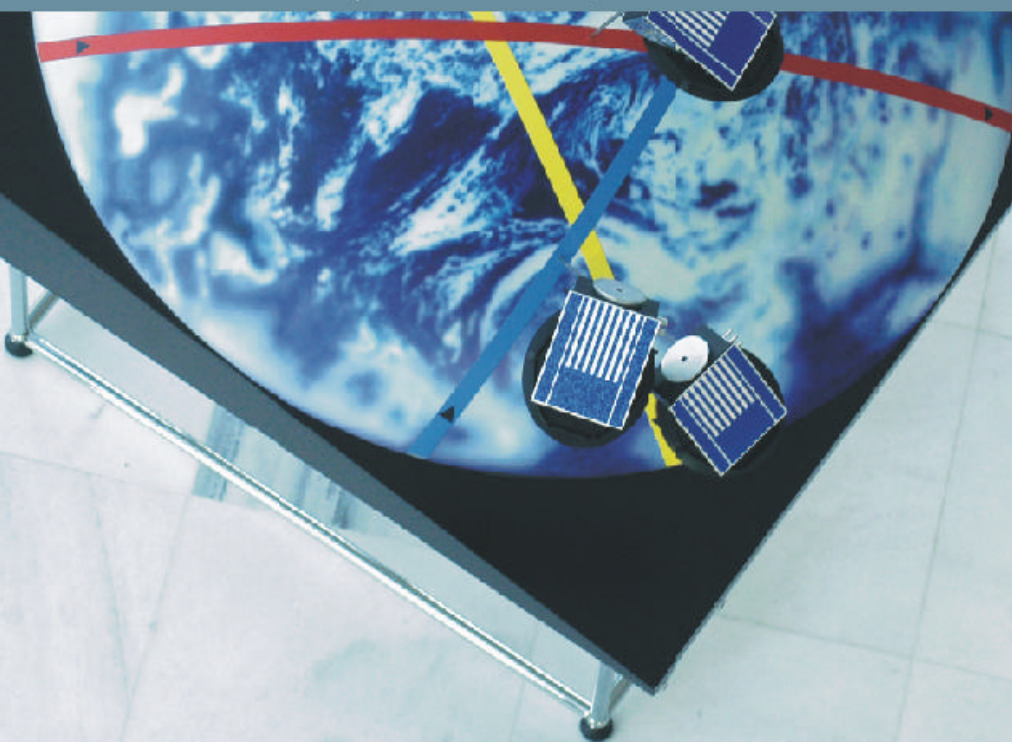


- Q1 earnings of EUR 0.10 per share
- Total revenues up to EUR 17.4 million five-fold year-on-year
- Internationalisation of SAR-Lupe making progress
- OHB System awarded contract for ESA satellite study SWARM

3 - MONTHS REPORT 2003 OF OHB TECHNOLOGY AG

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For the period of January 1<sup>st</sup> - March 31<sup>st</sup>



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- **Total revenues up to EUR 17.4 million five-fold year-on-year**
- **Internationalisation of SAR-Lupe making progress**
- **OHB System awarded contract for ESA satellite study SWARM**

Bremen, May 14, 2003

OHB Technology AG matched expectations at the beginning of the new fiscal year by substantially **boosting total revenues** compared with the year-ago period.

Although the first quarter is normally weaker for seasonal reasons, **revenues were most encouraging**. As a result, the Management Board reaffirms its full-year guidance for 2003 and, on the strength of the Group's performance in the first quarter, is looking for revenues of over EUR 100 million in tandem with a **substantial increase in per-share earnings** over the previous year (EUR 0.23).

In the period under review, the OHB Technology Group's total revenues came to **EUR 17.39 million**, an almost five-fold increase over the same period one year earlier.

The Space Technology + Security business unit reported unconsolidated total revenues of **EUR 15.36 million**.

At **EUR 2.35 million**, unconsolidated total revenues in the Telematics and Satellite Services business units fell short of expectations.

**EBIT** came to **EUR 1.57 million**, while earnings after tax and minority interests equalled EUR 1.47 million, equivalent to **earnings per share of EUR 0.10**.

The first quarter of 2003 was characterized by an above-average share of capitalized development work relative to total revenues.

**Order books** were valued at **EUR 253.7 million** on March 31, 2003.

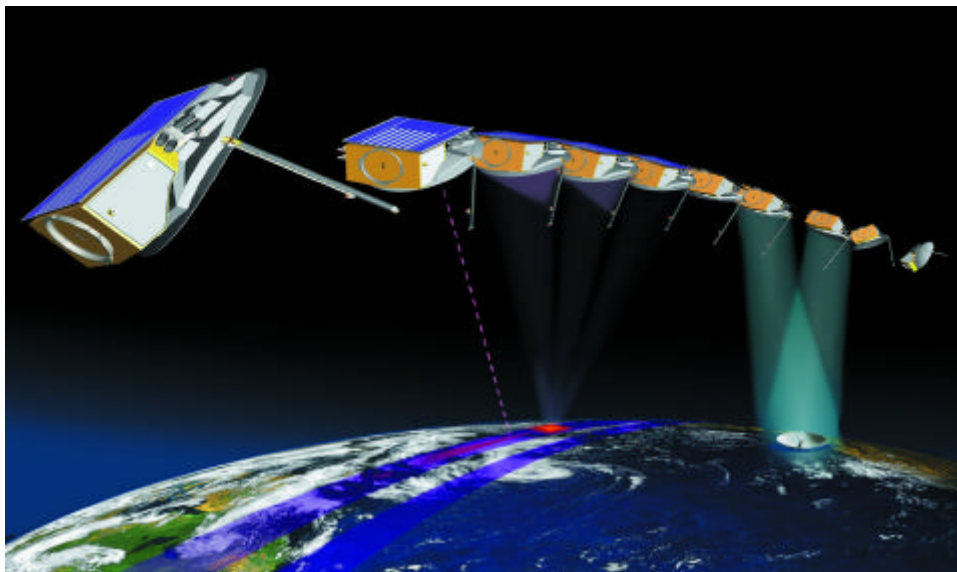
The **liquid funds** amount at the end of this quarter to **EUR 26.7 million**, which is equivalent to EUR 1.79 per share.

Overview in TEUR	Three month period 01/01/2003 – 03/31/2003	Three month period 01/01/2002 – 03/31/2002
Total revenues	17,387	3,566
EBIT	1,574	-34
EBT	1,653	138
Quarterly profit	1,465	89
Earnings per share (EUR)	0.10	0.01
Headcount on March 31	288	125

## SPACE TECHNOLOGY + SECURITY

**SAR-Lupe** remains the **most important project** in this division at the moment. The progress made in the period under review in compliance with the milestone schedule met with the customer's full satisfaction. The important **critical design review (CDR)** for the **entire ground segment** was **completed successfully and on schedule** in April, a fact which accentuates

The European Space Agency ESA has selected **OHB-System** as the **main contractor** for a Phase-A study for the new **SWARM satellite project** to be completed within the next nine months. Four small satellites will be responsible for recording ultra-precise measurements of the earth's geomagnetic field and any changes in it. By completing this study,



the OHB Group's skills and expertise in the Space Technology + Security business unit. In addition to the existing volume involving the development, construction, launch and operation of five satellites, further negotiations in response to **inquiries received from allied countries** were conducted during the period under review. The Franco-German reconnaissance system comprising SAR Lupe and Helios II also made substantial headway in the period under review. The study, which is being performed successfully at the moment, will be completed in the second quarter and followed by further activities. This shows that in addition to the business for which contracts have already been signed the SAR-Lupe project possesses **additional potential going far beyond Germany.**

OHB has a good chance of being awarded the contract for organizing this mission. This would involve a project worth around EUR 100 million over the next five years, of which OHB itself would retain around 30-40%.

German/Italian discussions on the management for the German side in the establishment of the European **Galileo satellite navigation system** have been completed. The Management Board now expects the Company to gain a **substantial share in this project.** Of the total budget of some EUR 3.5 billion, OHB-System should be able to derive business worth around EUR 60 million over the next 5-6 years.

In the **manned space flight segment**, OHB-System recently shipped the power control unit (PCU) for the **FSL fluid science lab** for the COLUMBUS module of the International Space Station to ESA. As well as this, the video management unit (VMW) for recording, processing and transmitting experiment data was delivered to Alenia Spazio. The Fluid Science Lab is designed to conduct experiments on the transportation of materials and energy as well as the surface properties of liquids and gases in gravity-free conditions as of 2004.

Further orders in the area of manned space flight in 2003 include the **Flywheel project**, an exercising apparatus for use by astronauts on board the space station.

The **tragic loss of the US space shuttle Columbia** at the beginning of February will presumably result in delays in the completion of the International Space Station. However, work on completing existing development and production projects is proceeding unabated in accordance with an unchanged schedule.



## TELEMATICS

Overall, **telematics** business **has fallen short of expectations** due to the muted state of the economy and, more specifically, the toll-collection issues facing the logistics sector.

The Telematics business unit specializes in particular in developing **customized solutions** for logistics companies as well as security organizations and agencies, such as the fire brigade. These projects have already given rise to **new products** or will do so in the future, meaning that the OHB Group has performed an enormous volume of advance work. Although the products have not yet met with broad market resonance on account of the woes afflicting the economy at large, with its technological lead, the Telematics business unit is already superbly poised to benefit from a recovery in the economy in many market segments.

In response to the **heightened security awareness** of the transportation market, the OHB Group now also provides logistics companies and other interested parties not only with telematics-based security but also with special locks as well as **authorization and protection systems**.

As well as this, OHB Teledata has substantially broadened the range of applications for its **TIPS product** by launching **w@pLog** pursuant to a distribution agreement entered into with CARGON GmbH & Co KG, Bremen, the vendor of this process-based online transport management system. This gives logistics fleet operators an **inexpensive solution** allowing data to be exchanged between head office and the driver using a **simple WAP-enabled mobile telephone**.

In their joint activities, it will be increasingly important for the telematics subsidiaries to collaborate even more closely and efficiently in the development of products and provision of services.

## SATELLITE SERVICES

The **Satellite Services** business unit performed **in accordance with plans**. **Dynamic growth of the Orbcomm Services** is expected within another few years. As the revenues and earnings contribution made by this business unit to the OHB Group are still of subordinate importance, they are included in the figures for the Telematics business unit.



## EMPLOYEES AND CAPITAL SPENDING

On March 31, 2003, the OHB Group employed **288 people** (2001: 125).

The **administration** of all the German companies is now **based in Bremen**. By relocating employees within the individual business units it was possible to make the necessary adjustments to capacity at minimum expense.

In the first quarter of 2003, the capital **spending budget** came to **EUR 0.16 million** and solely entailed business and operating equipment.

Following the acquisition of further shares in **megatel GmbH** in April 2003, **OHB's stake** has risen from 63.3% to **74.9%**. With a share of 25.1%, the founder and manager/shareholder, Dr. Hubert Bischoff, is now OHB Technology's only partner in this company.

## RESEARCH AND DEVELOPMENT

Research and development activities in the **Space Technology + Security business** unit focus on the development of service packages for the **commercial use for industrial purposes of the International Space Station (BEOS program)** as well as components for orbiting space craft (**Phoenix project**).

Work in the satellite area is focusing on an **innovative new radar technology and infrared sensors**.

The **Telematics business unit** is developing a telematics platform specially tailored to meet the needs of **disaster-protection and fire-fighting agencies**. At the same time, work is proceeding on special telematics solutions for **monitoring the transportation of cash and valuables** on behalf of the EU.

Spending on **free research and development** activities came to **EUR 0.59 million** in the year under review.

Group personnel structure	03/31/2003
Development, system engineering	158
Hardware production, mechanics, service	44
Distribution, project management	45
Administration and system administration	32
Quality management	9
<b>Total</b>	<b>288</b>

### STOCK BUY-BACK PROGRAM LAUNCHED

As part of its **staff stock-option program**, OHB Technology AG has started **buying back its own stock** pursuant to the authorization granted by the shareholders. This authorization expires on November 21, 2003. Up until March 31, 2003, the Company had bought back 86,600 of its own shares at an average price of EUR 3.93. This supplemented the treasury stock already acquired for the purposes of a staff stock option program and, if necessary, will also be used as an acquisition currency.

OHB Technology holds a total of 150.026 of its own shares as of May 9, 2003. These shares are carried at their cost of acquisition. Treasury stock is shown separately from the Company's share capital in the balance sheet.

### STOCK MOVING UPWARDS AGAIN

At the beginning of 2003, OHB Technology stock tested the region around EUR 3.00 again for the second time since the company's IPO, thus confirming the emergence of a steady upward move. In technical terms, this means that a solid **double base has materialized**. Both the long and medium term **downward trends** in which the stock had been caught **were breached** on the upside last quarter.

Even so, the stock **outperformed** the **TecDAX**, the **DAX** and other leading benchmarks. Fundamentally, this is clearly due to the fact that the Company not only reached but in fact **slightly exceeded its targets**. Moreover, the outlook for this year in tandem with the high reliability of the Company's forecasts offer the investor an appealing opening at a moderate valuation level.

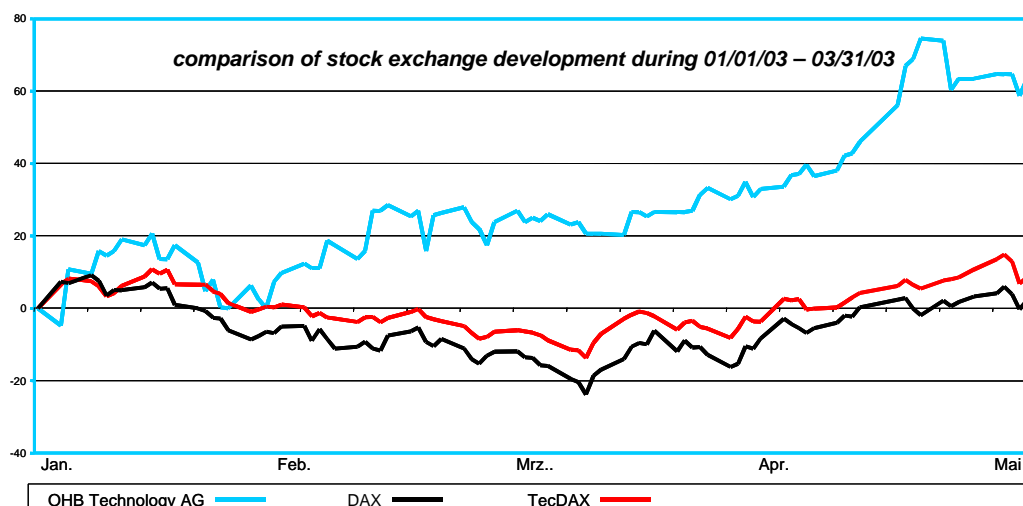
### GENERAL INFORMATION ON THE QUARTERLY REPORT

The report on the first quarter of 2003 was compiled using the International Accounting Standards (IAS).

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, Milan
- Orbcomm Deutschland AG, Bremen

The results of the non-consolidated affiliated companies are not included in the quarterly and half-year reports.



## OUTLOOK

The OHB Technology Group will **remain on its growth course** in fiscal 2003, with revenues and total sales growing by substantial **double-digit rates**. Total revenues are expected to exceed the **EUR 100 million** mark. Looking ahead over the next three quarters, there will be virtually no change in fixed costs compared with the first three months of the year. **Earnings per share will rise substantially** compared with the previous year. The key new business being sought in 2003 concerns the implementation of the SAR-Lupe/Helios II reconnaissance system as well as the marketing of the SAR SAT satellites to allied countries. In addition, the Management Board hopes to receive an invitation to lodge a bid for Stage 2 of the SatcomBw military communications satellite project in the summer or autumn of this year. OHB will be bidding for this project as part of a strong syndicate.

To sum up, the Management Board is very confident of being able to garner **significant new business in the satellite area**.

The **success of the SAR-Lupe project** will continue to be of prime importance.

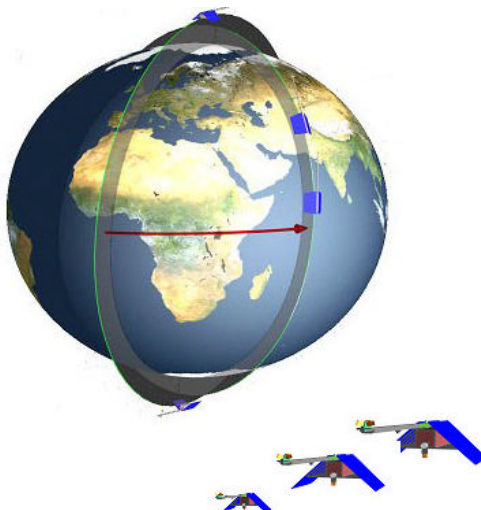
Thus, the task at hand will be to systematically build on the excellent work of the past few months by completing key milestones.

Turning to the **Telematics** business unit, we will be seeking to extend **product business** with **commercial vehicle producers** and other OEM partners. The Management Board expects this distribution channel to enable larger volumes to be sold on a sustained basis.

The introduction of **road tolls entails both opportunities and risks**. On the one hand, it may contribute to a breakthrough in telematics for commercial vehicles in volume terms. On the other hand, however, the possibility of the toll system syndicate offering telematics services itself may also hinder competition. With respect to public-sector telematics customers, the Group will be attempting to harness further synergistic benefits from business with the German federal armed forces for the benefit of activities for security agencies and organizations.

With respect to the **Orbcomm satellite services**, the goal is clear: To ensure a further steady rise in customer numbers.

OHB Technology AG's **solid financial position** offers a strong basis for strengthening the Group in the face of the current general difficulties. OHB stands to emerge strengthened from possible future consolidation in the European space technology industry.



Group Balance Sheet - IAS based -	3-month report 03/31/2003 TEUR	annual report 12/31/2002 TEUR
<b>Assets</b>		
<b>A. Current Assets</b>		
I. Cash and Cash Equivalents	26,661	15,558
II. Short-term Investments / Marketable securities	0	0
III. Trade accounts receivable		
1. Trade receivables	18,734	18,263
2. Receivables to shareholders	411	545
3. Receivables to affiliated shareholders	0	311
4. Receivables to associated companies	997	856
<b>B. SHORT-TERM ASSETS</b>		
I. Inventories		
1. Work in progress	30,360	27,948
2. Finished and unfinished goods	2,651	2,192
<b>C. Prepaid expenses and other current assets</b>		
I. Prepaid expenses	305	284
II. Other assets	1,983	1,646
<b>Total current assets</b>	<b>82,057</b>	<b>67,603</b>
<b>D. Medium and long-term assets</b>		
I. Property, plant and equipment	2,966	3,063
II. Intangible assets	6,417	6,594
III. Investments		
Equity interests in associated companies	25	25
Other investments	3,218	3,215
<b>E. Goodwill</b>	2,856	2,905
<b>F. Deferred taxes</b>	2,527	2,576
<b>G. Others</b>	0	0
<b>Total Assets</b>	<b>100,066</b>	<b>85,981</b>

	3-month report 03/31/2003 TEUR	annual report 12/31/2002 TEUR
<b>Liabilities and Shareholder's Equity</b>		
<b>A. Current liabilities</b>		
1. Short term debt and current portion of long-term debt	1,341	1,139
2. Trade accounts payable	16,276	20,844
3. Liabilities to associated companies	0	0
4. Advance payments received	40,904	23,278
<b>B. ACCRUALS</b>		
1. Tax accruals	73	128
2. Other accruals	709	723
3. Deferred tax liability	2,922	2,827
<b>C. Other current liabilities</b>	937	1,139
<b>D. Others</b>	133	270
<b>Total current liabilities</b>	<b>63,295</b>	<b>50,348</b>
<b>E. Long-term debt, less current portion</b>	486	535
<b>F. Pension accrual</b>	484	475
<b>G. Shareholders' equity</b>		
I. Share capital	14,928	14,928
II. Additional paid-in capital	14,771	14,771
III. Treasury Stock	-530	-193
IV. Statutory Reserves	8	0
V. Profit / loss carry forward	3,780	371
VI. Net income / loss	1,508	3,577
VII. Third Party net income	-43	-167
VIII. Accumulated profit / loss	5,245	3,781
IX. Third Party accumulated profits	1,379	1,336
<b>Total Shareholders' equity</b>	<b>35,801</b>	<b>34,623</b>
<b>Total liabilities and Shareholders' equity</b>	<b>100,066</b>	<b>85,981</b>

Group Income Statement - IAS based -	3-month report 01/01/2003 – 03/31/2003 TEUR	3-month report 01/01/2002 – 03/31/2002 TEUR
1. Revenues	14,546	2,850
2. Other operating income	348	13
3. Changes in inventories of finished goods and work in progress	2,287	492
4. Production for own fixed assets capitalized	206	211
<b>Total revenues</b>	<b>17,387</b>	<b>3,566</b>
5. Cost of purchased materials and services		
a) Cost of purchased materials	9,517	1,249
b) Cost of purchased services	1,190	167
6. Personnel expenses		
a) Wages and salaries	3,100	1,252
b) Social security levies and cost of old-age pensions	573	269
7. Depreciation and amortization	421	92
8. Other operating expenses	1,012	571
<b>9. Operating income / loss EBIT</b>	<b>1,574</b>	<b>-34</b>
10. Interest income	112	193
11. Interest expenditure	33	21
12. Income from investments and equity interests	0	0
<b>13. Result before income taxes (and minority interest) EBT</b>	<b>1,653</b>	<b>138</b>
14. Income tax	145	24
15. Extraordinary income / expenses	0	1
16. Result before minority interests	<b>1,508</b>	<b>113</b>
17. Minority interests	-43	-24
<b>18. Consolidated net income / loss</b>	<b>1,465</b>	<b>89</b>
19. Profit / Loss carry forward	3,780	683
<b>20. Accumulated profit / loss</b>	<b>5,245</b>	<b>772</b>

The earning per share is 0,10 EUR.

For the calculation 14.791.496 shares have been taken as basis, because the company held a stock of 136.600 shares per 03/31/2003.

Report per business unit in TEUR	Space + Security	Telematics	Holding	Consoli- dation	Total
<b>Total revenues</b>	15,356	2,350	2	-321	17,387
<b>of this, internal turnover</b>	59	147	0	-206	0
<b>Purchased materials and services</b>	10,102	886	0	-281	10,707
<b>Depreciation and amortization</b>	245	267	0	-91	421
<b>EBIT</b>	<b>2,045</b>	<b>-310</b>	<b>-234</b>	<b>74</b>	<b>1,575</b>

Group Cash Flow Statement - IAS based -	3-month report 01/01/2003 - 03/31/2003 TEUR	3-month report 01/01/2002 - 03/31/2002 TEUR
Operating earnings	1,575	-35
Operating earnings	-50	-24
Depreciation / amortization	421	92
<b>Gross cash flow</b>	<b>1,946</b>	<b>33</b>
Increase (-)/decrease (+) in own work capitalized	-206	-983
Increase (-)/decrease (+) in inventories	-2,871	286
Increase (-)/decrease (+) in receivables and other assets including deferred items	-480	530
Increase (-)/decrease (+) in liabilities and short-term accruals	-4,617	1,550
Increase(-)/decrease(+) in advance payments received	17,626	0
<b>Net cash from operating activities</b>	<b>9,452</b>	<b>1,383</b>
Acquisition of medium and long-term assets	-155	-482
Increase Goodwill	0	1,136
Proceeds from sale of medium and long-term assets	0	0
Interest and other investment income	112	193
<b>Net cash from investing activities</b>	<b>-43</b>	<b>847</b>
Payments from shareholder	0	0
Changes in Reserves	-329	0
Payment of equity transaction costs	0	-59
Increase in financial liabilities	153	0
Minority interests	-43	-991
Interest and other investment payments	-33	-21
<b>Net cash from financing activities</b>	<b>-252</b>	<b>-1,071</b>
Decrease / increase in cash & cash equivalents	11,103	1,192
Currency translation	0	0
Cash & cash equivalents at beginning of period	15,558	9,081
<b>Cash &amp; cash equivalents at end of period</b>	<b>26,661</b>	<b>10,273</b>

Group statement of change in equity - IAS based -	3-month report 01/01 - 03/31/2003 TEUR
Shareholders' equity January 1st, 2003	34,623
Treasury Stock	-337
Setup of statutory reserves	7
Consolidated net income	1,465
Minority interests	43
<b>Shareholders' equity March 31st, 2003</b>	<b>35,801</b>

## Securities held by management and board members on 03/31/2003

	Shares	Options
Christa Fuchs – Chairwoman of the Supervisory Board	2,080,690	-
Marco. R. Fuchs – CEO	404,796	20,000
Prof. Manfred Fuchs – Member of the Management Board	3,431,118	-
Ulrich Schulz – Member of the Management Board	91,281	20,000
Ulrich Wantia - Member of the Management Board	-	20,000

## CALENDER OF EVENTS 2003:

August 14 <sup>th</sup>	Interim Report on second quarter
November 14 <sup>th</sup>	Interim Report on third quarter

## FOR MORE INFORMATION PLEASE CONTACT:

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