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- Shares held by venture capital partner sold in full – free float now 33%
- New projects for the SAR-Lupe/Helios II reconnaissance system - definition phases for satellite ground segments in Germany and France commenced
- Image data processing for the German Armed Forces: New technological projects for reconnaissance drones

REPORT ON THE FIRST 9 MONTHS OF 2003

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Covering the period January 1 - September 30, 2003



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- ✂ **Image data processing for the German Armed Forces: New technological projects for reconnaissance drones**

Bremen, November 14, 2003

The OHB Technology Group continued to perform well in the third quarter of 2003.

In the period under review, the OHB Group delivered **EBIT of EUR 3.60 million**, while earnings after tax and minority interests equaled **EUR 3.23 million**, equivalent to **earnings per share of EUR 0.22**.

A glance at the figures for the same period one year earlier illustrates the year-on-year **surge in earnings** achieved in the year to date (2002: EUR 0.09 vs. 2003: EUR 0.22).

In the period under review, the OHB Technology Group generated **total revenues of EUR 63.27 million** equivalent to an increase of 28% over the year-ago figure.

The **Space Technology + Security** business unit reported unconsolidated **total revenues** of EUR 55.05 million. At **EUR 9.28 million**, unconsolidated total revenues in the **Telematics** and **Satellite Services** business units fell short of expectations, however.

Order books were valued at **EUR 227.8 million** on September 30, 2003.

Cash and cash equivalents stood at **EUR 36.15 million** at the end of the quarter.

With the **pace of the Group's growth** unabated, full-year total revenues will **exceed EUR 100 million** in 2003 as planned. At the same time, earnings per share will top the year-ago figure of EUR 0.23 substantially.

Overview	Q1-Q3/2003 EUR 000	Q1-Q3/2002 EUR 000
Total revenues	63,272	49,384
EBIT	3,596	1,434
EBT	4,003	1,492
Quarterly profit	3,232	1,338
Earnings per share (EUR)	0.22	0.09
Headcount on September 30	283	277

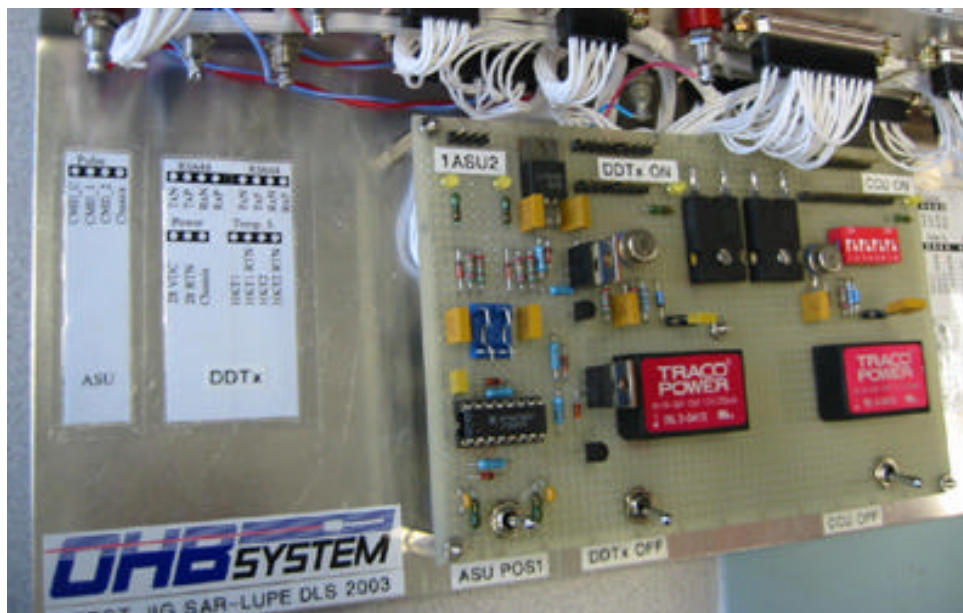
SPACE TECHNOLOGY + SECURITY

The Space Technology + Security business unit again proved to be the most important segment in the period under review. With **unconsolidated total revenues** coming to **EUR 55.05 million** (year-ago period: EUR 41.4 million), this business unit generated **EBIT of EUR 4.74 million** (year-ago period: EUR 2.06 million).

The **SAR-Lupe program** is continuing to progress well and remains on time and in

The studies have a **project value** of around **EUR 5.9 million**, while the ensuing implementation phase will have an even greater value.

Two new technology projects for complex data transmission applications were received from the **German Armed Forces**. This image processing data (Büland-MTV and Etap) can be deployed in reconnaissance drones, for example.



budget. The fifth management review with the customer was successfully completed in mid October. After a period of just under two years, the **development phase** has been virtually **completed**, with work now commencing on hardware production.

Two new orders were received in connection with the SAR-Lupe/Helios II **reconnaissance system**. **Germany** (BWB) and **France** (DGA) have awarded orders for the definition phases for the extensions required to the satellite ground segments, with OHB-System named the prime contractor in both cases.

The **SkyKit project** testifies to the considerable progress which OHB-System is making in the area of **small geostationary communications satellites** (Little Geos). Together with partners SES-Astra, ND-Satcom and Tesat, OHB-System is acting as the prime contractor for the SkyKit study for the development of future Little Geo technology and concepts for ESA (Artes-3 program). This project forms a key thrust of **OHB's strategy** for additionally achieving a leading role with Little Geos in the future.

September 27 saw the successful **launch** of the **Kaistsat IV and Rubin IV satellites** on board a Russian COSMOS-M launcher from the North Russian cosmodrome in Plesetsk. OHB subsidiary **COSMOS International** was responsible for handling this launch. Kaistsat IV was launched on behalf of a Korean research institute, while Rubin IV is a proprietary OHB-System development. Both **satellites successfully reached** their **target orbits**.

Turning to the **Manned Spaceflight** segment, the **video management unit** for the EDR project was successfully handed over to the contractor Alenia Spazio, Turin.

Meanwhile, the **European Physiology Modules (EPM)** are progressing well. 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.

The **International Astronautical Congress (IAC)** took place in Bremen from September 29 until October 3, 2003. The



IAC is the largest regular international congress devoted to space technology. OHB-System made use of this opportunity to present itself to **trade visitors from all around the world** as a **German space technology systems specialist**. Thanks to its active participation and sponsoring activities, OHB was able to impress on guests from politics, the corporate sector as well as the research world the business advantages offered by the city of Bremen as well as its own company.



TELEMATICS

The Telematics business unit generated unconsolidated total revenues of **EUR 9.28 million** in the first three quarters of fiscal 2003 (previous year: EUR 10.64 million). During this period, a **profit** of EUR 0.06 million was reported at the **EBITDA level** but an **unconsolidated loss** of EUR 0.83 million at the **EBIT level** (previous year: loss of EUR 0.64 million). These figures also include the contribution to total revenues and EBIT made by the Satellite Services business unit.

Recent events in connection with the launch of the **road toll system** are continuing to cause uncertainty on the part of potential customers in Germany. There is **mounting interest in telematics solutions** for route planning to optimize times, distances and road tolls and for tracking future road toll accounts. OHB Teledata has enhanced its products by adding these features to meet customer requirements. However, our customers are still exerting **restraint**, although we do see signs of a steady improvement in the situation. Once the telematics-based road toll system has been successfully launched, OHB expects demand to grow at dynamic rates.

OHB Teledata started shipping a **consignment tracking system** to the German **GEFCO** organization.

Using Microsoft dot.net technology as a basis, **megatel** has developed an Internet platform for offering German Internet services with substantially enhanced features in the future.

Florence airport placed an order with our Italian **Telematics Solutions** subsidiary for a telematics system worth EUR 0.8 million to improve airport security particularly by means of **CCTV-based monitoring**.

Timtec Teldatrans relocated its development and service departments in Bremen towards the end of the period under review. Initial success in working with other OHB Group companies based in Bremen testifies to the wisdom of this decision.



SATELLITE SERVICES

During the period under review, OHB's **ORBCOMM LLC** subsidiary continued to build up its business operations, with customer numbers and monthly communication units continuing to grow.

In September, OHB subsidiary ORBCOMM Europe LLC successfully organized the second **Annual European ORBCOMM Partner and User Conference** in Bremen.

This conference forms the key forum for the European-wide ORBCOMM sales and user system. The heightened interest in and success of this event shows that following on from North America ORBCOMM is now also making considerable headway in Europe.

EMPLOYEES AND CAPITAL SPENDING

The Group had **283 employees** as of September 30, 2003 (September 30, 2002: 277 employees).

Capital spending in the first nine months of 2003 came to **EUR 0.82 million**, with a particular focus on IT equipment in the third quarter.

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 Technology** segment, R+D activities remained focused on service packages targeted at industrial customers for the commercial deployment of the International Space Station as well as subsystems and components for future orbital vehicles .

The Telematics business unit is continuing to work on further development of its **TIPS and ATIS ranges**.

TIPS has been further enhanced with the addition of **features** permitting motorway travel to be planned and monitored. In this way, customers are able to plan routes to optimize time, distances and **road tolls** as well as track toll accounts.

Spending on free **research and development activities** came to **EUR 3.78 million** in the first nine months of 2003.

Group personnel structure	09/30/2003
Development, system engineering	158
Hardware production, mechanics, service	39
Distribution, project management	46
Administration and system administration	29
Quality management	11
Total	283

OHB WINNER OF TECHNOLOGY FAST 50



On October 14, 2003, leading management consulting company Deloitte & Touche awarded the **Technology Fast 50** prize in recognition of the fastest growing technology companies in Germany for the first time. OHB Technology received the top ranking, thus prevailing over other German technology companies engaged in the areas of IT, communications, life sciences and software.

STOCK CONTINUING TO POST GAINS

OHB stock continued its **upward trend**, reaching a two-year high of EUR 7.90 on September 12. Since then, the stock has been moving in a sideways range around EUR 7.00.

During the period under review, the stock's **free float** rose to 32.99%, marking a further step in **boosting its appeal** for institutional investors in particular. The sale of the block held by Centennium Capital Partners (7.26%) was completed with minimum disruption to the stock price. Part of the treasury stock acquired pursuant to the buy-back

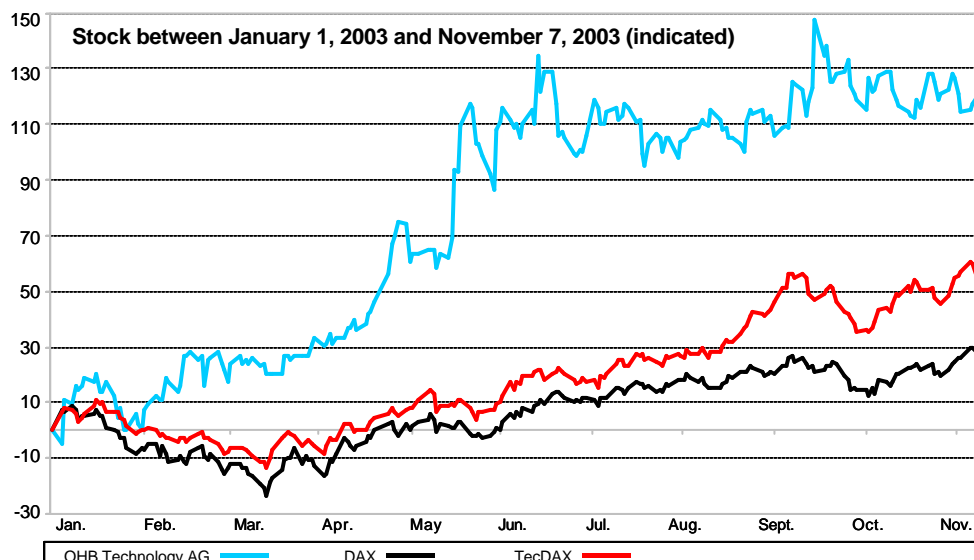
authorization was used for a staff bonus program (approx. 60,000 shares) and issued to selected employees.

GENERAL INFORMATION ON THE FIRST-HALF REPORT

The report on the first nine months of 2003 was compiled using the International Accounting Standards (IAS). OHB Teledata 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 interim reports.



OUTLOOK

All told, business in the first nine months of 2003 progressed as expected, with growth underpinned by the **Space Technology** business with its strong cash flow.

Total revenues will exceed **EUR 100 million** in **fiscal 2003** as a whole. At the same time, **earnings per share** will top the year-ago figure of EUR 0.23 substantially.

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

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.

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.

In addition, work is progressing on the **SATCOMBw Phase II** bid now that the German Armed Forces have officially invited tenders by March 2004. OHB-System will be taking part in this bidding via a strong syndicate.

A further key aspect of **business-development activities** with the German Armed Forces entails **drones**. With its

CONDOR concept, OHB-System is also seeking a leading role in a new program.

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.

To sum up, it is clear to see 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 next year or in 2005.



Telematics and Satellite Services

The **Telematics** business unit will **fail to live up to expectations** in 2003. This is because recent events surrounding the introduction of the road toll system in Germany have aroused considerable uncertainty on the part of decision-makers.

However, 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. OHB is continuing to review options for exogenous growth to strengthen its market position.



Group Balance Sheet - IAS/IFRS based -	09/30/2003 EUR 000	12/31/2002 EUR 000
Assets		
A. Current Assets		
I. Cash and Cash Equivalents	36,152	15,558
II. Short-term Investments / Marketable securities	0	0
III. Trade accounts receivable		
1. Trade receivables	28,102	18,263
2. Receivables to shareholders	38	545
3. Receivables to affiliated shareholders	0	311
4. Receivables to associated companies	997	856
B. SHORT-TERM ASSETS		
I. Inventories		
1. Work in progress	31,050	27,948
2. Finished and unfinished goods	3,030	2,192
C. Prepaid expenses and other current assets		
I. Prepaid expenses	267	284
II. Other assets	2,402	1,646
Total current assets	102,038	67,603
D. Medium and long-term assets		
I. Property, plant and equipment	2,874	3,063
II. Intangible assets	8,130	6,594
III. Investments		
Equity interests in associated companies	25	25
Other investments	2,804	3,215
E. Goodwill	3,058	2,905
F. Deferred taxes	2,528	2,576
G. Others	0	0
Total Assets	121,457	85,981
	09/30/2003 EUR 000	12/31/2002 EUR 000
Liabilities and Shareholder's Equity		
A. Current liabilities		
1. Short term debt and current portion of long-term debt	1,532	1,139
2. Trade accounts payable	11,940	20,844
3. Liabilities to associated companies	0	0
4. Advance payments received	64,454	23,278
B. ACCRUALS		
1. Tax accruals	46	128
2. Other accruals	588	723
3. Deferred tax liability	3,388	2,827
C. Other current liabilities	1,360	1,139
D. Others	44	270
Total current liabilities	83,352	50,348
E. Long-term debt, less current portion	0	535
F. Pension accrual	495	475
G. Shareholders' equity		
I. Share capital	14,928	14,928
II. Additional paid-in capital	14,757	14,771
III. Treasury Stock	-463	-193
IV. Statutory Reserves	8	0
V. Profit / loss carry forward	3,780	371
VI. Net income / loss	3,312	3,577
VII. Third Party net income	-80	-167
VIII. Accumulated profit / loss	7,012	3,781
IX. Third Party accumulated profits	1,368	1,336
Total Shareholders' equity	37,610	34,623
Total liabilities and Shareholders' equity	121,457	85,981

Group Income Statement - IAS/IFRS based	Q3/2003 EUR 000	Q3/2002 EUR 000	Q1-Q3/2003 EUR 000	Q1-Q3/2002 EUR 000
1. Revenues	16,810	17,063	55,445	44,981
2. Other operating income	562	560	1,700	1,478
3. Changes in inventories of finished goods and work in progress	-625	757	3,868	1,219
4. Production for own fixed assets capitalized	1,278	444	2,259	1,706
Total revenues	18,025	18,824	63,272	49,384
5. Cost of purchased materials and services				
a) Cost of purchased materials	10,102	9,929	39,035	27,562
b) Cost of purchased services	1,203	2,094	3,273	3,757
6. Personnel expenses				
a) Wages and salaries	3,011	3,256	9,681	9,689
b) Social security levies and cost of old-age pensions	862	586	2,179	1,770
7. Depreciation and amortization	621	376	1,489	1,088
8. Other operating expenses	1,288	1,253	4,019	4,084
9. Operating income / loss EBIT	938	1,330	3,596	1,434
10. Interest income	162	43	469	244
11. Interest expenditure	4	28	62	186
12. Income from investments and equity interests	0	0	0	0
13. Result before income taxes (and minority interest) EBT	1,096	1,345	4,003	1,492
14. Income tax	169	51	691	77
15. Extraordinary income / expenses	0	0	0	0
16. Result before minority interests	927	1,294	3,312	1,415
17. Minority interests	5	-46	-80	-77
18. Consolidated net income / loss	932	1,248	3,232	1,338
19. Profit / Loss carry forward	6,080	461	3,780	371
20. Accumulated profit / loss	7,012	1,709	7,012	1,709

The earning per share in Q1-Q3 2003 is 0.22 EUR.

For the calculation 14,776,070 shares have been taken as basis, because the company held a stock of 152,026 shares per 09/30/2003 (before staff compensation program)

Report per business unit Q1-Q3/2003 in EUR 000	Space + Security	Telematics	Holding	Consoli- dation	Total
Total revenues	55,048	9,277	10	-1,063	63,272
of this, internal turnover	142	517	0	-659	0
Purchased materials and services	38,766	4,380	0	-838	42,308
EBITDA	5,599	64	-561	-17	5,085
Depreciation and amortization	862	889	1	-263	1,489
EBIT	4,737	-825	-562	246	3,596

Group Cash Flow Statement - IAS/IFRS based -	Q1-Q3/2003 EUR 000	Q1-Q3/2002 EUR 000
Operating earnings	3,596	1,434
Income taxes paid	-130	-77
Depreciation / amortization	1,489	1,088
Gross cash flow	4,955	2,445
Increase (-)/decrease (+) in own work capitalized	-2,259	-1,706
Increase (-)/decrease (+) in inventories	-3,941	-7,068
Increase (-)/decrease (+) in receivables and other assets including deferred items	-9,912	-16,680
Increase (-)/decrease (+) in liabilities and short-term accruals	-8,319	16,097
Increase(-)/decrease(+) in advance payments received	41,175	8,319
Net cash from operating activities	16,744	-1,038
Acquisition of medium and long-term assets	-908	-7,714
Increase Goodwill	-153	-2,078
Proceeds from sale of medium and long-term assets	0	0
Interest and other investment income	469	244
Net cash from investing activities	-592	-9,548
Payments from shareholder	0	5,277
Changes in Reserves	-276	0
Payment of equity transaction costs	0	-1,013
Increase in financial liabilities	-142	557
Minority interests	-33	-253
Interest and other investment payments	-62	-186
Net cash from financing activities	-513	4,382
Decrease / increase in cash & cash equivalents	20,594	-3,759
Currency translation	0	0
Cash & cash equivalents at beginning of period	15,558	9,081
Cash & cash equivalents at end of period	36,152	5,322

Group statement of change in equity - IAS/IFRS based -	Q1-Q3/2003 EUR 000
Shareholders' equity January 1st, 2003	34,623
Treasury Stock	-271
Setup of statutory reserves	8
Effects from the purchase of additional shares from an associated company	-14
Consolidated net income	3,232
Minority interests	32
Shareholders' equity June 30th, 2003	37,610

Securities held by members of the Company's corporate-governance bodies on September 30, 2003

	Stocks	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	3,431,118	-
Ulrich Schulz – Member of the Management Board	84,900	20,000
Ulrich Wantia – Member of the Management Board	-	20,000

CALENDAR OF EVENTS:

March 25, 2004	Annual report / press and analyst conference
May 13, 2004	Report on the first three months
May 18, 2004	Annual general meeting
August 12, 2004	Report on the first half
November 12, 2004	Report on the first nine months



MORE INFORMATION AVAILABLE FROM:

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