

Report on the first 9 months of 2002 of OHB Technology AG

(covering the period January 1 – September 30, 2002)

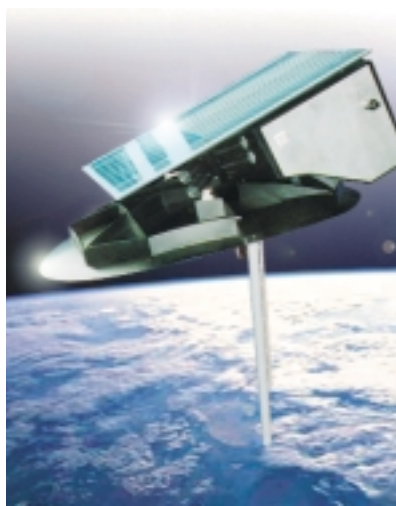
- OHB Teledata AG renamed OHB Technology AG – group restructuring completed
- Strategic investment in France:
34 % in ELTA S.A., Toulouse acquired
- Total revenues up over 60 % in the third quarter, rising to approx. EUR 50 million – five-fold increase over the year-ago period
- Increase in EBIT to over EUR 1.4 million in line with forecasts

Bremen, November 18, 2002

After the legal amalgamation of OHB System AG and OHB Teledata AG, the new space and telematics group adopted the name **OHB Technology AG** on November 1, 2002. Hansestar GmbH has been a wholly owned subsidiary of the OHB Group since October 1, 2002. This company is to be renamed **OHB Teledata GmbH** and will be responsible for **operative telematics business** at the Bremen facility in addition to providing Hansestar service. The internationalization of the OHB Group took a further step forward in the third quarter of this fiscal year with the acquisition of a 34% stake in French company **ELTA S.A.**, a specialist in high-performance electronics. Work on preliminary joint projects has already commenced in the space+security area.

Against the backdrop of a persistently weak economy, **spending on commercial telematics has remained mute**. Even so, a large number of talks with leading market participants have been conducted over the past few months, harboring the prospect of promising partnership ventures in the future.

As already expected when the two OHB business units – space and telematics – were combined, the **Space+Security division continued to expand substantially**. The synergistic effects and savings achieved by combining the two business units to form OHB technology AG are increasingly materializing. In addition, the Management Board reaffirms its conviction that the closer links between telematics and space will improve the Company's position in the commercial telematics market.



EUR thousand	1/1/2002 – 9/30/2002	1/1/2001 – 9/30/2001
Total revenue	49,384	9,848
EBIT	1,434	11
EBT	1,492	505
Employees (as at 9/30/02)	277	130

IAS-based

Revenues and earnings given a boost by the Space+Security Division

OHB Technology AG's **total revenues** came to **EUR 49.4 million** in the first three quarters of this year in line with forecasts. With work on the SAR Lupe project proceeding according to schedule, the Company continues to project full-year total revenues of approx. EUR 75 million for 2002. As in the previous months, business in the **Space+Security division has slightly outperformed** expectations. However, in the period under review, this achievement was again marred by the **unsatisfactory performance of the substantially smaller Telematics division**.

In spite of the Company's superb position in the commercial telematics market, the generally difficult business conditions mean that the return to the growth rates and profitability of the past few years remains a major challenge in this market for 2003. Still, the dynamic growth in space business will give the OHB Group the stability and profitability required for the future.

With **EBIT of EUR 1.43 million and net income for the period of EUR 1.34 million (EUR 0.09 per share)**, the OHB Group's consolidated earnings matched forecasts.

OHB Teledata AG renamed OHB Technology AG – group restructuring completed

Strategic investment in France: 34 % in ELTA S.A., Toulouse acquired

Total revenues up over 60 % in the third quarter, rising to approx. EUR 50 million – five-fold increase over the year-ago period

Increase in EBIT to over EUR 1.4 million in line with forecasts

Revenues and earnings in the Space+Security Division slightly up on projections

OHB Technology AG's space and satellite projects account for by far the largest part of its revenues and profits. In the period under review, **non-consolidated total revenues** in this division came to **EUR 41.4 million**, thus slightly exceeding forecasts. **Non-consolidated EBIT reached EUR 2.06 million, i.e. in line with projections.**

The two major projects **SAR Lupe** and **EPM** are making very favorable progress. Thus, the critical design review of the SAR Lupe project has just been successfully completed.

In addition, intensive and very promising talks have been held in connection with the **"Galileo"** project (a separate European satellite navigation system in response to the quasi-monopoly enjoyed by the US GPS system). The Management Board estimates that of the total assumed volume of some EUR 3.5 billion, OHB Technology will be able to garner **orders worth some EUR 60 million** between 2003 and 2007. A joint offer is currently being prepared in conjunction with the Galileo Industries Consortium and with the involvement of OHB System for the first Galileo pilot satellites for the European Space Agency (ESA). This project particularly reflects the magnitude of synergistic benefits which can be tapped by combining space and telematics business.

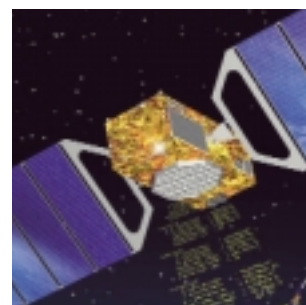
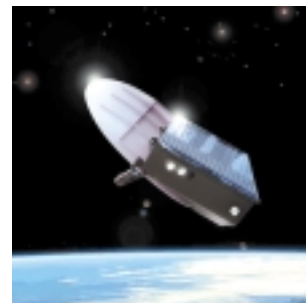
In the period under review, a contract was awarded in response to ESA's invitation for tenders for the European Transport Carrier (ETC) for **transporting scientific apparatus and samples to the International Space Station (ISS).**

Development work was recently commenced. Thanks to ETC, OHB System's role in future operation and utilization business with ISS will be further extended even after the completion of the development work.

Beyond it, the **"Biolab"** project for the Columbus module of the ISS was successfully completed and shipped. Work on the "Biolab" astronaut training model was commenced.

In addition, an agreement with the German Federal Office of Defense Technology and Procurement (BWB) concerning **Phase I of the Europeanization of the SAR Lupe project** was signed in October. The ensuing studies mark the first stage in the implementation of a European system comprising the German SAR Lupe satellites (radar) and the French Helios II satellites (optics) under the management and responsibility of OHB System.

OHB Technology AG is participating in development studies which the European Union is conducting in its research program with ESA. This entails a program named **"GMES"** (Global Monitoring for Environment and Security), which is to be used for commercial and scientific terrestrial observation purposes in the future. With these studies, OHB Technology is already laying the foundations for future project realization. This example highlights the long-term nature of such projects and the resultant high reliability with which business in the Space+Security division can be planned.



Revived customer interest in telematics solutions – new telematics projects opening up fresh markets

In the Telematics Division following the decline in demand in the second quarter, there are now signs of an expansionary market emerging in the long term. In spite of **widespread spending restraint**, a substantial increase in interest in telematic solutions was perceptible at the IAA Commercial Vehicles Show in September. As well as this, OHB Teledata assumes that the **imminent introduction of a truck road toll** system will **spur interest in telematics** as transport companies are anxious to save resources by implementing the latest technology in a bid to ease the ever-growing pressure on costs. In the period under review, the Telematics division achieved **non-con-solidated total revenues of EUR 10.64 million** but sustained a **loss at the EBIT level of EUR 0.64 million**, thus falling **substantially short of expectations**.

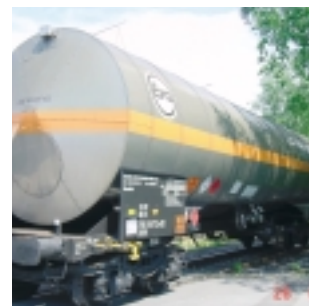
Projects

The Projects segment reported **non-con-solidated revenues of EUR 5.39 million** in the period under review, thus confirming its status within the Telematics division as a **revenues mainstay** and attracting the largest volume of new inquiries in the third quarter. This emphasizes that the scope for utilizing commercial telematics is far from being exhausted. One example of this is the **planned special order from the Frankfurt fire brigade**, under the terms of which OHB is to develop two prototypes specially attuned to the demands of the fire brigade. Thus, the footprint covered by the telematics market is being extended with the addition of catastrophe-protection agencies.

Timtec Teldatrans GmbH received an order from **Deutsche Bahn AG** for the delivery of 300 telematics devices. In connection with its e-cargo service project, DB Cargo AG intends to implement telematics applications in its cargo fleet on a broad basis for the first time. A total of 13,000 wagons is to be equipped with telematics systems.

The systems to be supplied by Timtec Teldatrans in this phase of the project will allow **vehicle location to be tracked and monitor the state of the cargo carried**.

These examples of additional applications prove that telematics solutions are increasingly making forays into new areas of use. The products emerging from these projects harbor enormous potential particularly once the economy starts picking up again.



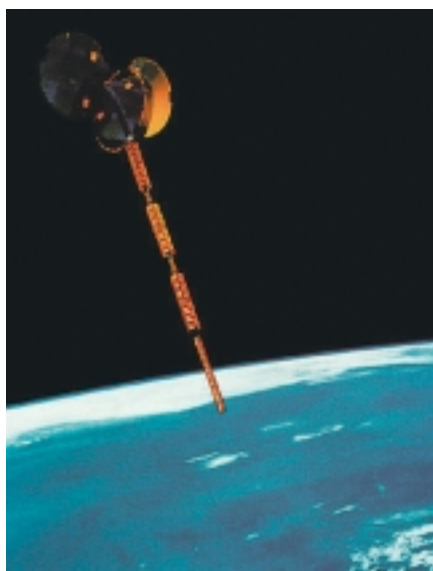
Products

Extensions to the product range and hence also the potential for individual applications was further enhanced once more in the third quarter. Examples include the **integration of new cartographic material in TIPS 4.1** as well as the **launch of a new BC11 CAN bus on-board computer**. **Non-consolidated total revenues** in the first nine months of 2002 came to **EUR 2.24 million**, equivalent to an **increase of 87.7%**. Thus, original forecasts were not achieved, although this was also due to the aforementioned macroeconomic conditions.

Services

OHB Technology AG primarily provides services via its subsidiary Timtec Teldatrans GmbH for the **rail and road telematics segment**. The synergistic benefits and savings already achieved testify to the successful integration of rail and road services.

Also developed by Timtec Teldatrans, the **Intelligent Data Management System (IDM)** was unveiled at the IAA Commercial Vehicles Show in September. In areas where location information is not available via GPS – e.g. in halls or loading terminals – these gaps are filled by reference to a special database, which is continuously updated and extended via the telematic systems in use.



General information on financial statements

The nine-month report was compiled using the International Accounting Standards (IAS).

OHB Technology AG's consolidated financial statements include

- OHB Technology AG
- OHB-System AG
- megatel Informations- und Kommunikationssysteme GmbH
- Timtec Teldatrans GmbH
- Telematic Solutions SpA
- Orbcomm Deutschland AG



The Group's other equity investments are carried at their acquisition costs during the year. Net investment income is not included during the year.

The expenses incurred until September 30, 2002 in connection with the non-cash capital increase amount to EUR 1.013 million and were charged to the share premium.

As of September 30, 2002, the Company's treasury stock comprised an unchanged 50,000 shares which it had acquired at an average price of EUR 3.85 in 2001. These shares are carried at their cost of acquisition. Treasury stock is shown separately from the Company's share capital in the balance sheet.

OHB stock: Significant outperformance

OHB Technology AG (prior to November 1, 2002: OHB Teledata AG) stock was not able to completely shield itself from the general stock market woes but was still able to impressively outstrip the NEMAX All Share Index benchmark.

Whereas on November 11 the benchmark index had shed 63% of its value since the beginning of 2002, OHB stock was trading at a discount of only 11% on its beginning-of-year price. Still, volatility was relatively pronounced, with the high for the year standing at EUR 6.10 and the low at EUR 3.00 in 2002. The downward trend which materialized after the stock hit its high for the year in mid May was breached on the upside in mid October. This reflects investors' expectations that OHB Technology AG **is capable of achieving solid revenue and earnings growth even in phases characterized by difficult macroeconomic conditions**. Given the Company's special corporate structure, the stock should continue to outperform the benchmark in future weak spells as numerous contracts are not exposed to cyclical factors and have been entered into with partners with first-class credit ratings.

Employees, capital spending and orders

At the end of the period under review, the Group had **277 employees**, up from 130 on the same date one year earlier. This rise is due to the integration of OHB System.

Cumulative **capital spending** on property, plant and equipment and on subsidiaries for the year to the end of the third quarter stands at **EUR 8.42 million**, including the share in OHB System valued at EUR 3.58 million.

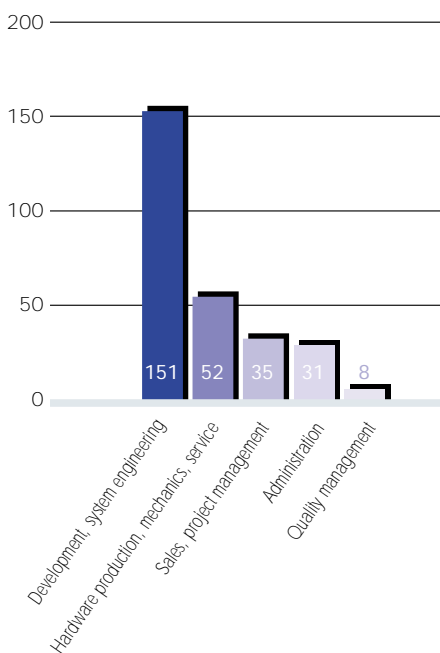
Spending on free research and development activities came to **EUR 2.93 million** in the year under review.

At the end of the period under review, the OHB Group had **order receipts worth EUR 292.7 million**.

Personnel structure

as of 9/30/2002

277 Employees





Outlook

The strengths of the OHB Technology Group have been further heightened by the merger of Telematics and Space+Security. The **equity ratio** stands at **55%**. Cash and cash equivalents are valued at more than EUR 1 per share as of October 31, 2002 on the basis of approx. 15 million shares. This ensures sufficient liquidity to react flexibly to opportunities as they arise. The OHB Technology Group maintains business relations with a network of strong international partners. **The Space+Security division is making extraordinarily strong headway compared with other market participants** due in no small way to the global market potential of the SAR Lupe satellites, which currently constitute a unique product for security-relevant reconnaissance and offer enormous appeal to international customers.

The Management Board confirms the full-year revenue and earnings targets for 2002. In addition, it expects **an upswing in telematics business as of the beginning of 2003** in view of the now substantial volume of pent-up spending. The integration of the Group in the **Galileo project** promises additional order volumes and opens up further perspectives over the next few years. The Management Board expects this to be accompanied by more dynamic growth in the stock price.



Balance Sheet
– IAS-based –

ASSETS

	9-month-report 9/30/2002 EUR thousand	annual report 12/31/2001 EUR thousand
A. Current assets		
I. Cash and Cash Equivalents	5,322	9,081
II. Short-term Investments/ Marketable securities	0	0
III. Trade accounts receivable		
1. Trade receivables	25,677	6,382
2. Receivables to shareholders	527	0
3. Receivables to affiliated shareholders	0	6,674
4. Receivables to associated companies	0	0
B. Short-term assets		
I. Inventories		
1. Work in progress	8,925	2,740
2. Finished and unfinished goods	2,449	1,566
C. Prepaid expenses and other current assets		
I. Prepaid expenses	155	18
II. Other assets	3,940	652
Total current assets	46,995	27,113
D. Medium and long-term assets		
I. Property, plant and equipment	3,154	350
II. Intangible assets	5,970	1,490
III. Investments		
Equity interests in associated companies	1,892	1,073
Other investments	2,433	438
E. Goodwill	3,142	1,151
F. Others	90	0
Total assets	63,676	31,615

LIABILITIES AND SHAREHOLDER'S EQUITY

	9-month-report 9/30/2002 EUR thousand	annual report 12/31/2001 EUR thousand
A. Current liabilities		
1. Short-term debt and current portion of long-term debt	1,450	1,028
2. Trade accounts payable	13,855	1,259
3. Liabilities to associated companies	0	0
4. Advance payments received	8,506	187
B. Accruals		
1. Tax accruals	80	34
2. Other accruals	682	299
C. Other current liabilities	3,137	843
D. Others	29	0
Total current liabilities	27,739	3,650
E. Long-term debt, less current portion	557	0
F. Pension accrual	356	0
G. Shareholder's equity		
I. Share capital	14,928	7,464
II. Additional paid-in capital	17,040	19,043
III. Treasury stock	- 193	- 193
IV. Statutory reserves	7	0
V. Profit / loss carry forward	371	49
VI. Net income / loss	1,415	621
VII. Third party	- 77	- 299
VIII. Accumulated profit / loss	1,709	371
IX. Third party	1,533	1,280
Total shareholder's equity	35,024	27,965
Total liabilities and shareholder's equity	63,676	31,615

Income Statement

– IAS-based –

	3-month-report III 7/1/-9/30/2002 EUR thousand	3-month-report III 7/1/-9/30/2001 EUR thousand	9-month-report 1/1/-9/30/2002 EUR thousand	9-month-report 1/1/-9/30/2001 EUR thousand
Revenues				
of which projects	16,055	3,206	41,666	5,728
of which products	562	916	2,146	2,265
of which services	446	425	1,169	809
1. Revenues	17,063	4,547	44,981	8,802
2. Other operating income	560	57	1,478	196
3. Changes in inventories of finished goods and work in progress	757	- 1,122	1,219	517
4. Production for own fixed assets capitalized	444	155	1,706	333
Total revenues	18,824	3,637	49,384	9,848
5. Cost of purchased materials and services				
a) Cost of purchased materials	9,929	1,512	27,562	4,094
b) Cost of purchased services	2,094	245	3,757	559
6. Personnel expenses				
a) Wages and salaries	3,256	1,191	9,689	3,107
b) Social security levies and cost of old-age pensions	586	278	1,770	649
7. Depreciation and amortization	376	59	1,088	153
8. Other operating expenses	1,253	446	4,084	1,275
9. Operating income / loss EBIT	1,330	- 94	1,434	11
10. Interest income	43	237	244	515
11. Interest expenditure	28	7	186	21
12. Income from investments and equity interests	0	0	0	0
13. Result before income taxes (and minority interest) EBT	1,345	136	1,492	505
14. Income tax	51	104	77	139
15. Extraordinary income / expenses	0	0	0	0
16. Result before minority interests	1,294	32	1,415	366
17. Minority interests	- 46	- 99	- 77	- 77
18. Consolidated net income / loss	1,248	- 67	1,338	289
19. Profit / loss carry forward	461	405	371	49
20. Profit / loss carry forward minority interests	0	0	0	0
21. Accumulated profit / loss	1,709	338	1,709	338

Earnings per share amounts to EUR 0.09.

The calculation is based on 14,878,096 shares since the company still holds 50,000 own shares.

Cash Flow Statement
– IAS-based –

	9-month-report 1/1/–9/30/2002 EUR thousand	9-month-report 1/1/–9/30/2001 EUR thousand
Operating earnings	1,434	1
Income taxes paid	– 77	139
Depreciation / amortization	1,088	153
Gross cash flow	2,445	303
Increase (–) / Decrease (+) in own work capitalized	– 1,706	– 334
Increase (–) / Decrease (+) in inventories	– 7,068	– 2,249
Increase (–) / Decrease (+) in receivables and other assets including deferred items	– 16,680	– 8,920
Increase (+) / Decrease (–) in liabilities and short-term accruals	16,097	1,903
Increase (+) / Decrease (–) in advance payments recieved	8,319	0
Net cash from operating activities	– 1,038	– 9,600
Acquisition of medium and long-term assets	– 7,714	– 350
Increase in goodwill	– 2,078	806
Proceeds from the same of medium and long-term assets	0	0
Interest and other investment income	244	515
Net cash from investing activities	– 9,548	971
Payments from shareholder	5,277	24,150
Payment of equity transaction costs	– 1,013	– 2,818
Increase in financial liabilities	557	0
Minority interests	– 253	– 1,071
Interest and other investment payments	– 186	– 21
Net cash from financing activities	4,382	20,240
Decrease / Increase in cash & cash equivalents	– 3,759	11,914
Currency translation	0	0
Cash & cash equivalents at beginning of period	9,081	1,857
Cash & cash equivalents at end of period	5,322	13,771

Statement of change in equity
– IAS-based –

	9-month-report 1/1/–9/30/2002 EUR thousand
Shareholder's equity January 1st, 2002	27,965
Increase in share capital due to equity transaction	7,464
Netting of equity transaction costs against additional paid-in capital	– 1,013
Effects of consolidation in particular by netting goodwill and profit carried forward of OHB System AG	– 1,360
Setup of statutory reserves	7
Consolidated net income	1,709
Minority interests	252
Shareholder's equity September 30th, 2002	35,024

Securities held by members of the Company's corporate-governance bodies on September 30, 2002

	Shares	Options
Christa Fuchs Chairwoman of the Supervisory Board	2,070,691	
Marco R. Fuchs Chairman of the Management Board	404,796	20,000
Prof. Manfred Fuchs Member of the Management Board	3,423,118	
Ulrich Schulz Member of the Management Board	103,281	20,000
Ulrich Wantia Member of the Management Board		20,000



Bremen, November 18, 2002

The Management Board

Calendar of events:

March 27, 2003	Annual report / press and analysts' conference
May 14, 2003	Annual general meeting / quarterly report
August 14, 2003	First-half report
November 14, 2003	9-month report

**For more information,
please contact**
Ulrich Wantia

OHB Technology AG
Universitätsallee 29
D-28359 Bremen
Tel.: + 49 (0) 4 21/20 20 915
Fax: + 49 (0) 4 21/20 20 950
e-mail: ir@ohb-technology.de
Internet: www.ohb-technology.de