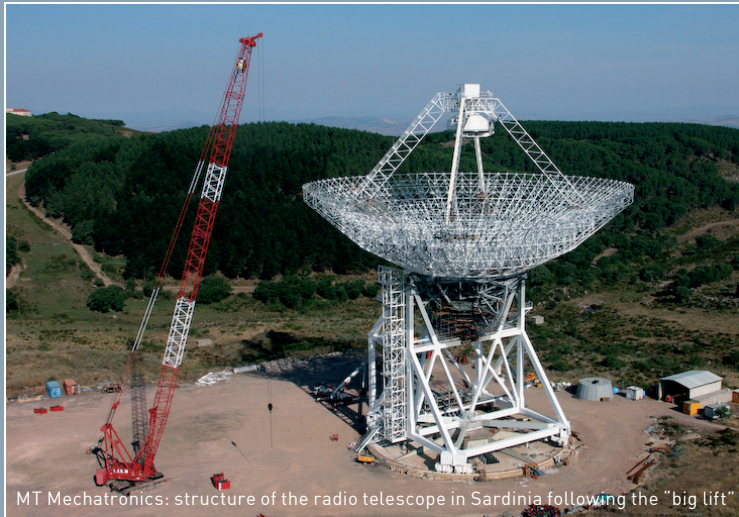


Six-month report 2010  
for the period from January 1 until June 30



MT Mechatronics: structure of the radio telescope in Sardinia following the "big lift"

## TOTAL REVENUES

up 42 % to EUR 192.6 million (previous year: EUR 135.5 million)

## ORDER BACKLOG

valued at EUR 1.289 billion, up roughly EUR 459 million on the previous year

## METEOSAT WEATHER SATELLITES

ESA, Thales Alenia Space and OHB-System / Kayser-Threde  
continuing negotiations

# COMPANY PROFILE

## **The Group**

With a history spanning over 27 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.

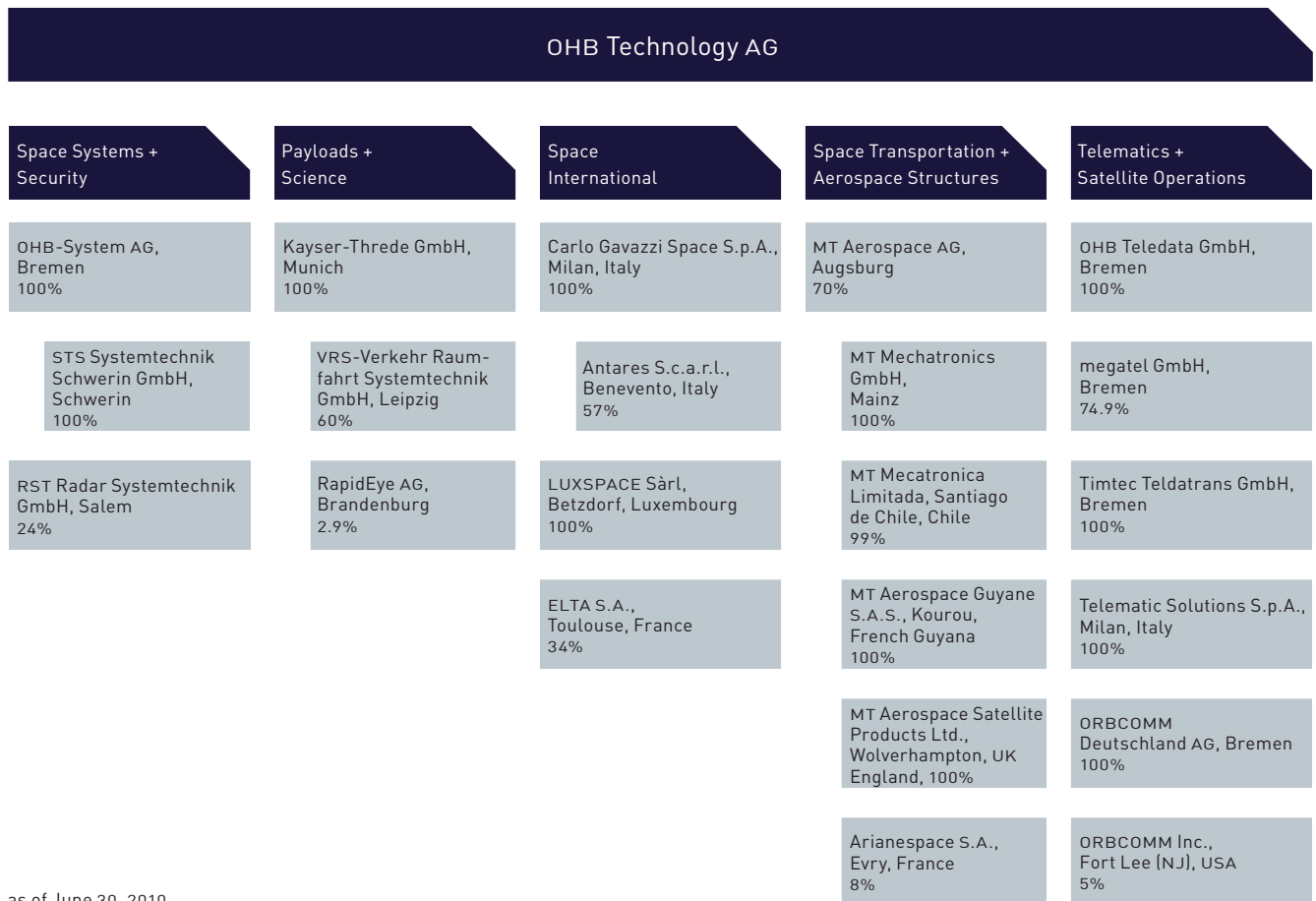
## **Space Transportation + Aerospace Structures**

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 June 30, 2010

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## Dear shareholders, customers and business associates,

In the first half of 2010, the OHB Technology Group continued its favorable performance both in terms of its strategic positioning within the European space technology industry and with respect to its financials.

A further key step in our European growth strategy in the ESA countries was achieved with the acquisition of all the shares in Thales Alenia Space Antwerp N.V. in Antwerp, Belgium on July 19, 2010. This company specializes in developing and producing equipment for ground stations, particularly in the telecommunications and earth observation segments, and is assembling the network linking the mission and control centers of the future European satellite-based navigation system. The acquisition will substantially extend the OHB Group's range in the ground segment area and contribute crucial technological expertise for future projects. Not least of all, it will also strengthen OHB's presence in Belgium which, as the fifth largest financial contributor to ESA, is a key country for future ESA programs, thus ensuring more direct access to new projects.

In June, the representatives of the 26 member states of the council of the European Organization for the Exploitation of Meteorological Satellites (EUMETSAT) and the members of ESA's Industrial Policy Committee (IPC) approved the program and budget plan proposed by the European Space Agency (ESA) for the development and construction of the third-generation European weather satellites (Meteosat Third Generation, MTG). This has laid the foundations for further negotiations. We are therefore confident that the syndicate partners Thales Alenia Space and OHB-System/Kayser-Threde will together successfully sign a contract with ESA.

The Company's favorable economic performance is clearly reflected in the 42% increase in total revenues to EUR 192.6 million. On the one hand, OHB is benefiting from last year's acquisition of Carlo Gavazzi Space, which alone resulted in an increase of more than EUR 19 million in the total revenues reported by the Space International business unit. On the other hand, the Space Systems+Security business unit boosted its total revenues to over EUR 46 million particularly thanks to the successful commencement of the Galileo\* program. Although the cost of materials and services purchased increased significantly on account of the good progress being made on the new projects, causing the cost of materials ratio to widen from just under 49% to around 59% at the Group level, the OHB Group was able to increase its earnings before interest and taxes (EBIT) by 17% to EUR 9.2 million.

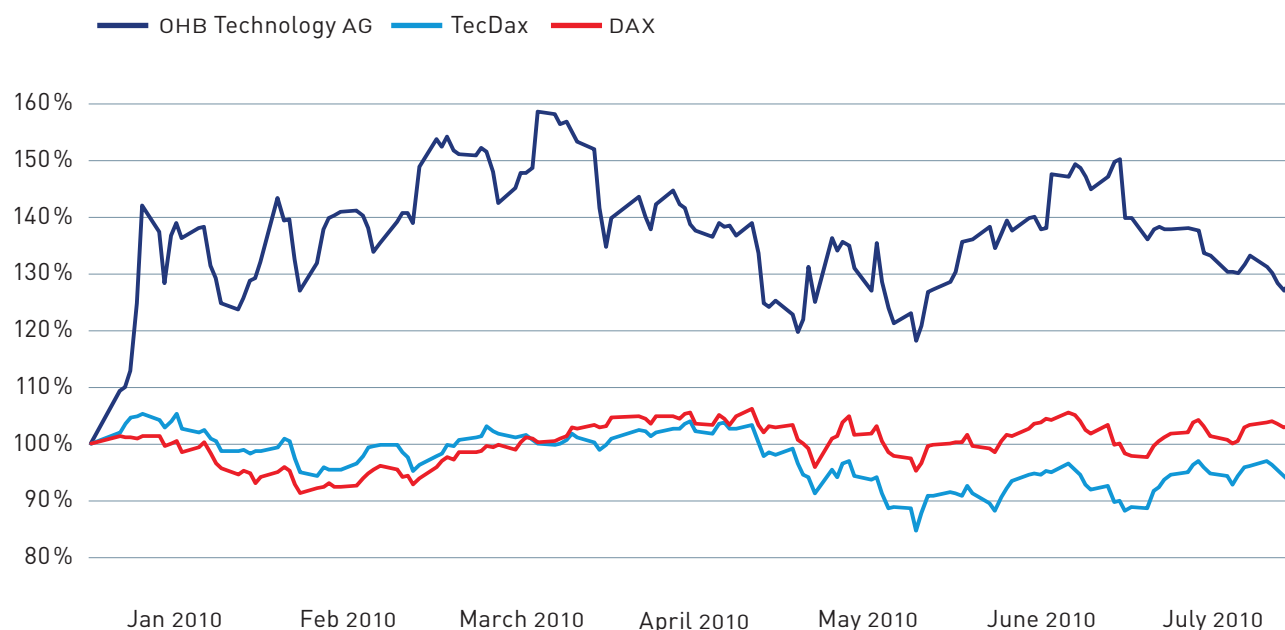
At just under EUR 1.3 billion and thus around EUR 459 million up on the previous year, the order backlog forms a very solid basis for the Company's future performance.

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 commitment beyond the call of duty. Our thanks also go out to our shareholders for their trust in the Company.

Bremen, August 11, 2010  
The Management Board

# THE STOCK

## Performance of stock from January 1 through July 30, 2010 (index-tied)



### German stock indices moving sideways in 2010

The international bellwether indices, the Dow Jones (down 6.3%) and the Nikkei (down 11.0%) both closed the first half of the year lower, while the DAX (0%) moved largely sideways during the first six months of 2010 against the backdrop of differing degrees of volatility. By contrast, the TecDAX contracted by 10% in the first half of the year. From April onwards, mounting concerns as to the stability of the euro zone triggered declines in nearly all stock markets.

With gains of a good 50%, OHB stock was able to substantially outperform the TecDAX thanks to the growth in the Group's operating business and particularly also the large order intake as a result of new projects.

In the wake of the acquisition of Carlo Gavazzi Space S.p.A. by OHB Technology AG in August 2009, there was a perceptible increase in the capital market's interest in OHB stock, accompanied by a significant rise in average daily trading volumes of OHB stock since the third quarter of 2009. In the first half of 2010, average daily trading volumes were in excess of 73,300 shares (Xetra plus floor trading), up from just around 5,000 shares in the same period one year earlier. Following the announcement that OHB-System had been awarded the contract for constructing and testing 14 satellites for the Galileo\* European satellite navigation system, more than 1 million OHB shares were traded for the first time on a single day on January 8, 2010.

### Research Coverage

Bank	Date	Target price in EUR	Recommendation
Commerzbank	June 23, 2010	20.00	Buy
VISCARDI	May 31, 2010	20.00	Buy
DZ BANK	May 19, 2010	19.00	Buy
HSBC Trinkaus & Burkhardt	March 19, 2010	17.50	Neutral

### Treasury stock

As of June 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

June 30, 2010	Shares	Change in Q2
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	H1/2010	H1/2009
High, Xetra	18.34	9.35
Low, Xetra	11.40	5.85
Closing price, Xetra (final trading day of the period)	16.86	8.03
Average daily trading volumes (Xetra + floor)	73,370	5,017
Market capitalization, Xetra (final trading day of the period)	294,424,758	119,872,611
Number of shares	17,468,096	14,928,096

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

# GROUP MANAGEMENT REPORT

In the first half of 2010, the OHB Group's total revenues rose by 42% over the same period in the previous year to EUR 192.6 million. Year-on-year growth in total revenues came to EUR 31.1 million or 47% in the first quarter and EUR 26.0 million or 38% in the second quarter. This growth was materially due to the favorable performance of the Space Systems+Security business unit and the acquisition of Carlo Gavazzi Space S.p.A. (CGS), which has been integrated within the Space International business unit. As CGS was consolidated for the first time effective October 1, 2009, the figures for the first half of 2009 of the Space International business unit only include the share of revenues contributed by associate LUXSPACE Sàrl.

In the first half of 2010, the cost of materials rose by 71% over the previous year to EUR 113.6 million due to the first-time consolidation of CGS and the current project structures which are characterized by a greater proportion of external sourcing. The Group headcount rose by 257 primarily as a result of consolidation effects, causing staff costs to rise by 20% to EUR 51.7 million. EBITDA climbed in the first half of the year by EUR 1.9 million or 15% to EUR 14.3 million. After an increase of only 4% in the first quarter due to heightened advance outlays, EBITDA rose by 31% in the second quarter. After depreciation/amortization expense, which was up 12% due to the Group's growth, EBIT came to EUR 9.1 million, up 17% on the previous year. Net finance expense widened by EUR 1.4 million over the previous year to EUR 3.5 million as a result of increased interest expenditure. As a result, the profit from ordinary business activity contracted slightly by EUR 0.1 million to EUR 5.6 million. After income tax expense, which was also slightly lower, the OHB Group earned net consolidated profit for the period of EUR 3.8 million, on a par with the same period in the previous year. At EUR 3.6 million, the net profit for the period attributable to OHB's shareholders after minority interests was up 13% over the same period in the previous year.

The cash flow from operating activities in the first half of 2010 widened by EUR 34.3 million year-on-year to EUR 44.6 million, underpinned by a substantial increase in the volume of prepayments received. The net cash outflow from investing activities climbed by EUR 16.8 million to EUR 22.0 million primarily as a result of investments executed in connection with liquidity management. At around EUR 95.1 million at the end of the period under review, cash and cash equivalents including current (excluding non-current securities) were up EUR 37.7 million on the previous year.

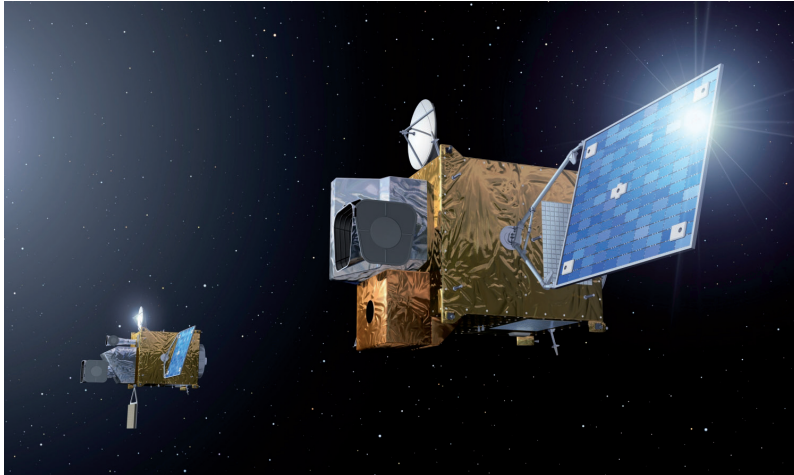
Order backlog at the OHB Group increased in value by around EUR 459 million as of the end of the first half of 2010, rising to EUR 1.289 billion, of which OHB-System AG accounted for EUR 700.0 million or 54%.

As of June 30, 2010, the OHB Group's total assets were up 14% or EUR 62.8 million compared with December 31, 2009. This increase was underpinned almost entirely by current assets. On the other side of the balance sheet, the main growth was in current and non-current prepayments received, which rose by EUR 67.8 million to EUR 195.0 million. The equity ratio contracted to 19% as of June 30, 2010 due to the increase in total assets, down from 22% as of December 31, 2009.

## Main performance indicators of the OHB Group

EUR 000s	Q2/2010	Q2/2009	H1/2010	H1/2009
Total revenues	94,865	68,891	192,582	135,484
EBITDA	6,710	5,113	14,304	12,398
EBIT	4,119	2,818	9,147	7,813
EBT	1,962	1,826	5,624	5,714
Net profit for the period (after minorities)	1,247	1,044	3,630	3,205
Earnings per share (EUR)	0.07	0.07	0.21	0.22
Total assets as of June, 30	504,733	360,403	504,733	360,403
Equity capital as of June, 30	94,522	80,884	94,522	80,884
Cash flow from operating activities	-	-	44,588	10,277
Capital spending	873	3,460	2,162	5,555
Headcount as of June, 30	1,584	1,327	1,584	1,327

## Space Systems + Security



Animation of the two different types of MTG weather satellites.

Up EUR 47.4 million to EUR 79.0 million, non-consolidated total revenues in the Space Systems+Security business unit made a crucial contribution to the OHB Group's favorable performance in the first half of 2010. The strong growth was materially related to the successful commencement of the Galileo\* project. As this entailed an increase of EUR 43.9 million in the cost of materials and services purchased to EUR 61.7 million, the cost of materials ratio widened again in the period under review to around 78%, up from 56% in the previous year. At the same time, EBIT rose by EUR 1.2 million or 67% to EUR 3.0 million. The segment's EBIT margin relative to non-consolidated revenues contracted to 3.8%, down from 5.6% in the previous year.

### **Vote by EUMETSAT council and EAS in favor of the continuation of the MTG program and the development and construction of the third-generation European satellites**

On June 22, 2010, the representatives of the 26 member states of the council of the European Organization for the Exploitation of Meteorological Satellites (EUMETSAT) unanimously voted in favor of accepting the program and budget plan proposed by the European Space Agency ESA for the development and construction of the third-generation European weather satellites (MTG). In March 2010, ESA had already decided to commence negotiations with Thales Alenia Space and OHB-System/Kayser-Threde concerning the third-generation European weather satellites (MTG).

The members of ESA's Industrial Policy Committee (IPC) also approved the proposal on June 30. Thereupon, negotiations were continued between the customer and the syndicate partners Thales Alenia Space and OHB-System/Kayser-Threde, with the contract award contingent upon the outcome of these negotiations. This is expected for 2010.

### **European satellite-based navigation system – preliminary key milestone reached**

After signing the contract in January, OHB-System set about securing the services of all sub-contractors. In May, it signed a contract with UK subcontractor Surrey Satellite Technology Limited (SSTL) for the delivery of 14 payloads for the satellites of the European navigation system. This contract marked a key step in the execution of the project. As of the end of the second quarter, all sub-contractors had been selected and had commenced their activities. Consequently, the project has now gained considerable momentum, with the first major project review by ESA successfully completed.

\* see page 25



OHB-System is the principal contractor for the first 14 satellites in the future European navigation system and additionally responsible for developing and integrating the satellite buses. Signed on January 26, 2010 by ESA and OHB-System AG, the contract has a total value of around EUR 566 million. All satellites will be completed at the Group's Bremen-based facilities from mid 2011 onwards, with the launch of the first two satellites scheduled for the end of 2012.

#### **OHB with the largest presence to date at the 2010 Berlin Air Show**

OHB Technology had the largest stand in its history at this year's Berlin Air Show. The OHB Group and its subsidiaries OHB-System AG, Bremen, Kayser-Threde GmbH, Munich, MT Aerospace AG, Augsburg, Carlo Gavazzi Space S.p.A, Milan, Italy, and Luxspace Sàrl, Betzdorf, Luxembourg, presented themselves to the public on a space measuring more than 400 m<sup>2</sup>

At the Berlin Air Show, OHB-System showcased current projects and developments including a model of the European satellite navigation system as well as a satellite model known as "CarbonSat" with a payload for measuring CO<sub>2</sub> and methane in the earth's atmosphere so as to reliably determine global emissions of greenhouse gases. Among other things, Kayser-Threde, which specializes in developing and implementing payloads and scientific equipment for aviation/aerospace, demonstrated a model of the future German hyperspectral satellite EnMAP, which is to scan and map the earth's surface with over 200 spectral bands. MT Aerospace, the largest German supplier of components for the Ariane 5 and a specialist in aviation/aerospace structures, presented a series of core capabilities in the development and fabrication of structures, tanks and other aviation/aerospace hardware. Carlo Gavazzi Space and also LUXSPACE, a systems provider for micro and mini satellites, demonstrated payloads and ground segments for space technology.

## Payloads + Science



Integration of the TET satellite (platform with payload) at Kayser-Threde's clean room.

At EUR 29.6 million, non-consolidated total revenues in the Payloads+Science business unit were down EUR 5.6 million on the previous year's high level for invoicing-related reasons. With the cost of materials also down substantially by EUR 5.5 million to EUR 14.9 million, EBIT in this segment climbed by around EUR 1.7 million over the previous year's level (EUR 1.1 million). As a result, the EBIT margin widened from 3.2% in the previous year to 5.9%.

### TET-1 satellite mission

All technological experiments which are to be executed during the one-year TET-1 mission in space have been tested and approved by the prime contractor Kayser-Threde. After the arrival of the satellite platform in mid June, system integration work was initially completed, followed by satellite function testing. The payload supply system developed by Kayser-Threde manages the individual payloads and forms the interface with the on-board computer. TET-1 will be launched as a secondary payload, with the commencement of this mission, which forms part of the DLR on-orbit verification program, scheduled for 2011.

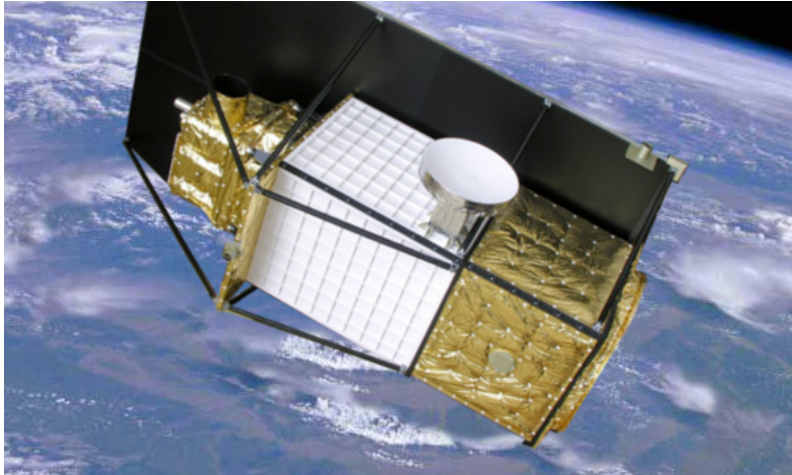
### The pulse of the European satellite navigation system is beginning to beat - atomic clocks for generating the system time installed by Kayser-Threde

Kayser-Threde has installed six atomic clocks at the control center of the European satellite navigation system near Munich under the contract for the precise timing facility (PTF). Five additional devices containing special measuring and control facilities constantly monitor the signals emitted by these clocks for generating the system time, which is forwarded to all users of the system. Kayser-Threde was instructed by the European Space Agency ESA to design, integrate and test the entire system and is being supported by an international team of acknowledged time experts. Once the equipment has been fully assembled this autumn, the next step will entail verification and calibration work, which will be completed in spring 2011.

### Infrared telescope SOFIA: first light flight

The preliminary scientific observations performed by the aircraft-borne observatory were completed by Kayser-Threde with great success in May. The company was responsible for configuring the entire optical system of the high-precision position tracking system for the flight as well as the related electronics and cabling.

## Space International



Representation of the PRISMA hyperspectral satellite

Established on October 1, 2009 following the acquisition of CGS, the new Space International business unit comprises the activities of CGS and LUXSPACE Sàrl and reported non-consolidated total revenues of EUR 22.4 million in the first half of 2010. With the cost of materials and services purchased coming to EUR 11.7 million, EBIT of EUR 1.6 million was generated, translating into an EBIT margin of 7.1 %.

### New milestones reached in the PRISMA and MIOSAT satellite projects

PRISMA is a satellite project with a hyperspectral scientific payload, which Carlo Gavazzi Space is executing as the prime contractor for the Italian Space Agency ASI. The activities performed on the PRISMA mission in the period under review have concentrated on the consolidation of the mission baseline after the successful mission PDR (preliminary design review) held at the beginning of 2010. The detailed design of the platform and payload has been started and significant progress achieved in the activities relating to the ground segment. CGS received a project directive from the Italian Space Agency aimed at increasing the mission lifetime from the original three years up to five years.

The MIOSAT program – a high-resolution optics mission initiated by the Italian Space Agency ASI – received a significant addition in the period under review, with the project directive issued by the Italian Space Agency aimed at reorienting the program from an initial technology demonstration satellite to a more challenging operative mission working in strict dependence on PRISMA. The basic idea is for the instrumentation on board the two satellites to be used to observe the same target area on the ground in order to obtain more information about the physical/chemical properties of the Earth and the atmosphere. The main goal is to monitor the Mediterranean area and to develop added-value Earth observation products for scientific and applicative objectives.

### SPACEGRID-Phase 1 almost completed

Aimed at improving the efficiency of the ground power distribution network, Phase 1 (feasibility) of the SPACEGRID project of the European Space Agency has entered its final stage with the definition of the demonstration layout and costs for Phase 2, which is scheduled for commencement before the end of 2010.

For this purpose, Carlo Gavazzi Space (CGS) is working closely with Terna, the primary owner of the Italian national high-voltage electricity transmission grid, with nearly 60,000 kilometers of lines across the entire country. The main objective of the study is to assess the technical feasibility and economic viability of a specific core of satellite-based services and to define the roadmap for their preoperational development and demonstration. Following the completion of the demonstration phase in mid 2012, services for commercial exploitation are to be developed.

### **New Ariane telemetrics products under development**

Carlo Gavazzi Space is a leader in the development of Ariane telemetry kits which are required in all ground tracking stations around the world. During the period under review, CGS signed two new contracts with CNES related to the provision of a system to acquire, process, record and retransmit the Ariane 5/ATV telemetry as well the OCAM Soyuz video stream (Online CAMera System) to a remote control center. The OCAM system is an additional telemetry acquisition system for the Ariane 5, Soyuz, Vega launcher. This system is expected to be delivered by the end of the year.

### **Ongoing activities in satellite-based ship monitoring**

Over the last few weeks, LUXSPACE has been able to complete a preliminary study on the development of a new payload for monitoring ships. This system tracks ship positions by recording the signals emitted by the navigation radars installed on all ships. Preparations are now underway for a follow-up project as a basis for construction of the system, which is to go into operation in 2014. At the same time, LUXSPACE has gained further customers for its ship monitoring system using the satellite-based AIS. A service level agreement was recently entered into with the European Marine Safety Agency (EMSA), which is based in Lisbon.

## Space Transportation + Aerospace Structures



Unique SOFIA telescope fitted to the tail of a modified Boeing 747SP

At EUR 65.2 million in the first half of 2010, the non-consolidated total revenues of the Space Transportation + Aerospace Structures business unit were down EUR 4.1 million on the previous year. The cost of materials and services purchased came to EUR 32.3 million and was thus virtually unchanged over the previous year (EUR 33.4 million). Consequently, EBIT fell by EUR 1.9 million to EUR 2.8 million, with the EBIT margin contracting to 4.3%, down from 6.7% in the same period of the previous year.

### First SOFIA flights with open door

SOFIA (Stratospheric Observatory for Infrared Astronomy), a joint German-US project co-initiated by DLR and NASA, successfully executed a first light flight in the night of May 25/26, 2010.

Developed and constructed under the lead management of MT Mechatronics, the internationally unique telescope fitted to the tail of a modified Boeing 747SP (base airfield in Palmdale, California) was operated by an international team of ten scientists on board the aircraft. During its flight of around eight hours at an altitude of up to 11 km, it took initial photographs of celestial bodies. This marked an extraordinary engineering feat as the astronomic observations were executed using a large telescope fitted to an aircraft with an open hatch traveling at a speed of around 800 km/h.

### Crucial milestone reached in the assembly of the 64-meter radio telescope in Sardinia

Together with its partners, MT Mechatronics completed an important phase in the completion of the radio telescope in the south of Sardinia. On May 22, 2010, work commenced on assembling the main antenna of the third largest radio telescope in Europe. With a weight of 500 tons and a width of 64 meters, the radio telescope's main reflector has an area of 3,000 square meters and comprises a large number of aluminum panels. The fully revolving radio telescope will have a total weight of 3,000 tons once it has been completed.

**Successful 50<sup>th</sup> and 51<sup>st</sup> Ariane 5 lift-off; 36<sup>th</sup> and 37<sup>th</sup> successful launch in a row**

With its first Ariane 5 mission this year, marking the 194<sup>th</sup> Ariane flight, Arianespace successfully placed two satellites into orbit from the European space center in Kourou (French Guyana). At 19:01 hours local time on May 22, the Astra 3B satellite owned by Luxembourg satellite operator SES Astra together with COMSATBw-2, the second telecommunications satellite of the German Federal Ministry of Defense, were successfully put in a geostationary transfer orbit on board the Ariane 5 ECA launch vehicle.

On June 26, the 51<sup>st</sup> Ariane 5 launch vehicle transported the “Arabsat 5A” telecommunications satellite for Arabsat and the “COMS” satellite for the South Korean space agency KARI to geostationary transfer orbits. Weighing a total of 7.4 tons, both satellites were placed in the planned orbits with the usual precision. In addition to a full launch vehicle ship set from Augsburg, six propellant tanks were also fitted to the satellites. These tanks had been produced by MT Aerospace’s subsidiary MT Aerospace Satellite Products in Wolverhampton. The six satellite tanks had an aggregate volume of almost 3,600 liters.

## Telematics + Satellite Operations



megatel's iPhone application  
ShareLoc

Non-consolidated total revenues in the Telematics+Satellite Operations business unit in the first half of 2010 at EUR 7,1 million were down slightly by EUR 0.1 million on the year-ago period. As the cost of materials and services purchased also contracted by EUR 0.1 million to EUR 3.4 million, the business unit broken even at the EBIT level following the previous year's loss of EUR 0.2 million.

### **megatel developing an iPhone application for external sales forces**

megatel is developing an iPhone application known as ShareLoc to permit mobile recording of data by service staff. The application does away with the need to handle paper-based forms or the error-prone transfer of order data by voice mail or direct telephone contact.

ShareLoc guides the field employee through the data entry and transfer process step for step. As order data is constantly synchronized, the head office is able to keep customers informed at all times of the current status of the order and to transmit any changes requested to the responsible field employee without delay. In this way, errors are avoided.

In addition to recording data, the application helps the field employee to plan his or her tour and provides navigation for transportation on foot or cycle and by car.

### **Study on the future use of battery management in marine applications successfully completed**

OHB Teledata successfully completed a feasibility study for HDW, Kiel, concerning the future deployment of lithium-ion batteries for maritime use. The resultant new battery system particularly aims at ensuring long operating times.

HDW has now awarded the contract for the second phase of the project, during which the specifications are to be modified and other technical details developed. A prototype will be built from October 2010 onwards in Phase 3.

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

OHB Teledata has executed a contract for the development of the battery management system for lithium-ion batteries produced by GAIA for use in hybrid vehicles and has now started delivering the electronics and the software to the automobile OEMs. The technical challenge entails the management of batteries with an extremely flat characteristic curve. Field testing of the systems will commence after the summer break on the first few vehicles.

## Segment reporting

H1/2010	Space Systems + Security	Payloads + Science	Space International	Space Transportation + Aerospace Structures	Tele-matics + Satellite Operations	Holding company	Consolidation	Total
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Sales	77,712	27,663	20,761	45,099	6,435	0	- 10,480	167,190
of which internal sales	4,032	0	3,551	85	2,591	0	- 10,259	0
Total revenues	78,975	29,638	22,353	65,167	7,107	2,133	- 12,791	192,582
Cost of materials and services purchased	61,695	14,892	11,669	32,262	3,449	0	- 10,411	113,556
EBITDA	4,097	2,282	2,403	4,822	719	- 19	0	14,304
Depreciation/amortization	1,092	541	820	2,038	671	20	- 25	5,157
EBIT	3,005	1,741	1,584	2,783	47	- 38	25	9,147
EBIT-margin	3.8%	5.9%	7.1%	4.3%	0.7%	-	-	4.7%
H1/2009	Space Systems + Security	Payloads + Science	Space International	Space Transportation + Aerospace Structures	Tele-matics + Satellite Operations	Holding company	Consolidation	Total
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Sales	31,515	33,662	1,496	49,468	8,847	0	- 9,279	115,709
of which internal sales	6,996	53	0	2	1,610	0	- 8,661	0
Total revenues	31,578	35,229	1,564	69,343	7,229	1,093	- 10,552	135,484
Cost of materials and services purchased	17,786	20,420	283	33,400	3,517	0	- 9,154	66,252
EBITDA	2,817	2,030	466	6,575	497	13	0	12,398
Depreciation/amortization	1,061	913	10	1,905	697	25	- 26	4,585
EBIT	1,756	1,117	455	4,670	- 200	- 11	26	7,813
EBIT-margin	5.6%	3.2%	29.1%	6.7%	-	-	-	5.8%



## Research and development

At EUR 5.9 million in the first six months of 2010, research and development expense was up EUR 1.6 million on the year-ago figure of EUR 4.3 million.

## Capital spending

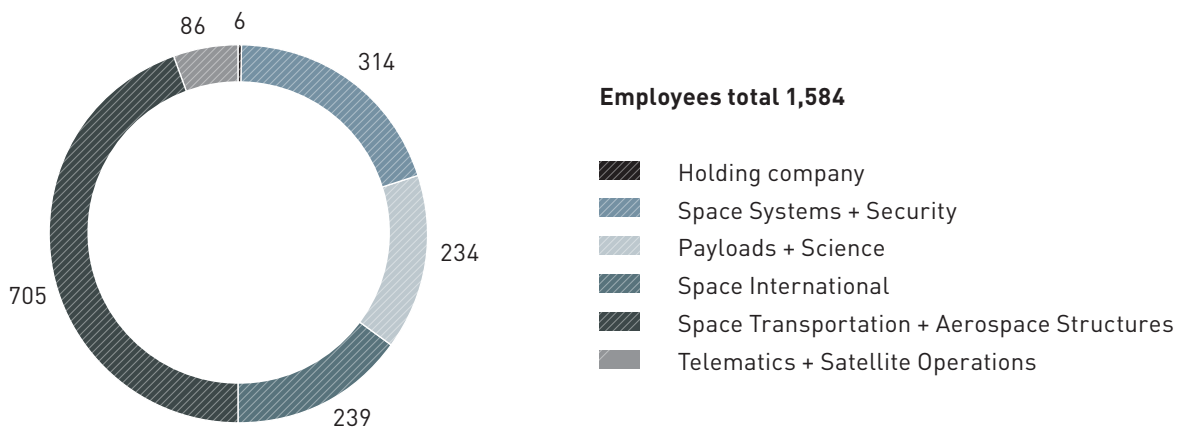
Capital spending by the OHB Technology Group came to EUR 2.2 million in the first half of 2010 (previous year: EUR 5.6 million).

## Employees

The increase of 257 in the headcount to 1,584 includes the 215 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 June 30, 2010



## Material events occurring after June 30, 2010

### OHB Technology AG extending its presence in Europe

On July 19, 2010, OHB Technology acquired all of the capital of Thales Alenia Space Antwerp N.V., Antwerp, Belgium, from Thales Alenia Space France SAS. In this way, OHB is systematically continuing its growth strategy in the ESA (European Space Agency) countries. Belgium is the fifth largest financial contributor to ESA and therefore a key country for future ESA programs.

Thales Alenia Space Antwerp N.V. specializes in developing and producing equipment for ground stations, particularly in the telecommunications and earth observation segments and is assembling the network linking the mission and control centers of the future Galileo\* European satellite-based navigation system. The range of products acquired through this transaction will reinforce the OHB Group's ground segment activities.

Thales Alenia Space Antwerp N.V. is to be integrated in the Space International business unit.

### Third successful launch of the Ariane 5 this year

At 22:59 hours CEST on August 4, a further two television satellites were successfully placed in orbit. Carrying the Egyptian satellite NILESAT 201 and the Pan-African Rascom-QAF1R satellite on board, the Ariane 5 ECA launch vehicle lifted off from Kourou in French Guyana. Over the next fifteen years the satellites are to supply North Africa, the Middle East and the Gulf Region in particular with television services.

## 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.

\* see page 25

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated IFRS income statement

EUR 000s	Q2/2010	Q2/2009	H1/2010	H1/2009
1. Sales	84,602	60,446	167,190	115,709
2. Changes in inventories of finished goods and work in progress	6,934	4,483	19,245	14,324
3. Other own work capitalized	1,829	657	3,552	1,441
4. Other operating income	1,500	3,305	2,595	4,010
<b>5. Total revenues</b>	<b>94,865</b>	<b>68,891</b>	<b>192,582</b>	<b>135,484</b>
6. Cost of materials	54,489	33,343	113,556	66,252
7. Staff costs	26,768	22,322	51,719	42,999
8. Depreciation/amortization	2,591	2,295	5,157	4,585
9. Other operating expenses	6,898	8,113	13,003	13,835
<b>10. Earnings before interest and taxes (EBIT)</b>	<b>4,119</b>	<b>2,818</b>	<b>9,147</b>	<b>7,813</b>
11. Other interest and similar income	148	200	266	395
12. Interest and similar expenses	2,326	1,295	3,777	2,586
13. Currency translation losses	21	103	- 12	92
14. Share of profit of associates	0	0	0	0
15. Share of profit of investees	0	0	0	0
<b>16. Net finance expense</b>	<b>- 2,157</b>	<b>- 992</b>	<b>- 3,523</b>	<b>- 2,099</b>
<b>17. Earnings before taxes</b>	<b>1,962</b>	<b>1,826</b>	<b>5,624</b>	<b>5,714</b>
18. Income taxes	572	586	1,828	1,914
<b>19. Consolidated net profit for the period</b>	<b>1,390</b>	<b>1,240</b>	<b>3,796</b>	<b>3,800</b>
20. Minorities	- 143	- 196	- 166	- 595
<b>21. Consolidated net profit after minorities</b>	<b>1,247</b>	<b>1,044</b>	<b>3,630</b>	<b>3,205</b>
22. Consolidated net profit brought forward	55,581	44,850	53,198	42,689
23. Additions to share premium	0	0	0	0
<b>24. Consolidated net profit</b>	<b>56,828</b>	<b>45,894</b>	<b>56,828</b>	<b>45,894</b>
25. Number of shares	17,401,142	14,861,142	17,401,142	14,861,142
26. Earnings per share (basic in EUR)	0.07	0.07	0.21	0.22
27. Earnings per share (diluted in EUR)	0.07	0.07	0.21	0.22

## IFRS statement of comprehensive income

EUR 000s	Q2/2010	Q2/2009	H1/2010	H1/2009
<b>Consolidated net profit for the period</b>	<b>1,390</b>	<b>1,240</b>	<b>3,796</b>	<b>3,800</b>
Net losses from the measurement of financial assets recorded under equity	- 249	380	- 871	- 737
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	- 249	380	- 871	- 737
Cash flow hedges	- 240	174	- 324	174
Deferred income taxes on cash flow hedges	74	- 54	100	- 54
Changes in net cash flow hedges recorded under equity	- 166	120	- 224	120
<b>Other comprehensive income after tax</b>	<b>- 415</b>	<b>500</b>	<b>- 1,095</b>	<b>- 617</b>
<b>Comprehensive income</b>	<b>975</b>	<b>1,740</b>	<b>2,701</b>	<b>3,183</b>
Of which attributable to				
- equity holders of OHB Technology AG	882	1,508	2,602	2,552
- other equity holders	93	232	99	631

**IFRS consolidated cash flow statement**

<b>EUR 000s</b>	<b>H1/2010</b>	<b>H1/2009</b>
Earnings before interest and taxes	9,147	7,813
Non-cash income from first-time consolidation	0	0
<b>Net operating profit</b>	<b>9,147</b>	<b>7,813</b>
Income taxes paid	- 1,615	- 1,914
Other non-cash expenses (+) / income (-)	0	0
Depreciation/amortization	5,158	4,585
Changes in pension provisions	1,106	712
<b>Gross cash flow</b>	<b>13,796</b>	<b>11,196</b>
Increase (-) in internally generated assets	- 3,452	- 1,399
Increase (-) in inventories	- 17,249	- 23,136
Increase (-) in receivables and other assets	- 13,355	- 9,211
Decrease (-)/increase (+) in liabilities and current provisions	- 2,983	737
Increase (+) in prepayments received	67,831	32,034
Loss (+) from the disposal of non-current assets	0	56
<b>Cash generated by operating activities</b>	<b>44,588</b>	<b>10,277</b>
Payments made for investments in non-current assets incl. goodwill	- 2,162	- 5,555
Changes to consolidated companies	0	0
Payments received from disposals of non-current assets	7	0
Interest and other investment income	222	395
Payments made in connection with items not allocated to operating or financing activities	- 20,035	0
<b>Cash outflow from investing activities</b>	<b>- 21,968</b>	<b>- 5,160</b>
Dividend payment	- 4,350	- 3,715
Changes in reserves	20	0
Payments made for the settlement of financial liabilities	- 5,623	- 759
Payments received from raising borrowings	5,375	0
Acquisition of treasury stock	0	0
Minority interests	- 1,973	0
Interest and other finance expense	- 3,777	- 2,586
<b>Cash outflow from financing activities</b>	<b>- 10,328</b>	<b>- 7,060</b>
Cash changes to cash and cash equivalents	12,292	- 1,943
Consolidation-related changes to cash and cash equivalents	0	0
Currency-translation-related changes to cash and cash equivalents	- 12	92
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>68,172</b>	<b>44,714</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	18,336	- 3,173
<b>June 30</b>	<b>100,341</b>	<b>63,904</b>

## IFRS consolidated balance sheet

EUR 000s	6/30/2010	12/31/2009
<b>Assets</b>		
Goodwill	7,687	7,687
Other intangible assets	27,127	25,967
Property, plant and equipment	53,070	53,785
Shares in associates	2,284	2,284
Other financial assets	9,171	10,039
<b>Non-current assets</b>	<b>99,339</b>	<b>99,762</b>
Other non-current receivables and assets	4,879	4,755
Securities	5,215	5,171
Deferred income taxes	5,220	4,608
<b>Other non-current assets</b>	<b>15,314</b>	<b>14,534</b>
<b>Non-current assets</b>	<b>114,653</b>	<b>114,296</b>
Inventories	119,936	102,687
Trade receivables	157,532	132,896
Other tax receivables	10,084	6,997
Other non-financial assets	7,402	8,195
Securities	26,954	20,942
Cash and cash equivalents	68,172	55,892
<b>Current assets</b>	<b>390,080</b>	<b>327,609</b>
<b>Total assets</b>	<b>504,733</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	- 4,333	- 3,238
Treasury stock	- 632	- 632
Consolidated profit after minority interests	56,828	57,549
<b>Equity net of minority interests</b>	<b>84,965</b>	<b>86,761</b>
Minority interests	9,557	11,364
<b>Equity</b>	<b>94,522</b>	<b>98,125</b>
Provisions for pensions and similar obligations	72,674	71,568
Non-current other provisions	2,880	2,828
Non-current financial liabilities	16,350	14,379
Non-current advance payments received on orders	59,536	57,933
Deferred income tax liabilities	10,360	9,535
<b>Non-current liabilities and provisions</b>	<b>161,800</b>	<b>156,243</b>
Current provisions	18,115	20,000
Current financial liabilities	27,364	29,583
Trade payables	58,237	56,966
Current advance payments received on orders	135,414	69,186
Tax liabilities	4,519	5,236
Current other liabilities	4,762	6,566
<b>Current liabilities</b>	<b>248,411</b>	<b>187,537</b>
<b>Total equity and liabilities</b>	<b>504,733</b>	<b>441,905</b>

## IFRS consolidated statement of changes in equity

EUR 000s	Sub- scribed capital	Reserves			Consoli- dated profit after minority interests	Treasury stock	Equity before minority interests	Minority interests	Total equity
		Share premium	Retained earnings	Reva- luation surplus					
<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	3,205	0	3,205	595	3,800
Unrealized gains and losses recognized under equity	0	0	0	- 563	0	0	- 563	0	- 563
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 June 30, 2009</b>	<b>14,928</b>	<b>15,148</b>	<b>520</b>	<b>- 4,577</b>	<b>45,894</b>	<b>- 632</b>	<b>71,281</b>	<b>9,603</b>	<b>80,884</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	3,630	0	3,630	166	3,796
Unrealized gains and losses recognized under equity	0	0	0	- 1,095	0	0	- 1,095	0	- 1,095
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 June 30, 2010</b>	<b>17,468</b>	<b>15,114</b>	<b>520</b>	<b>- 4,333</b>	<b>56,828</b>	<b>- 632</b>	<b>84,965</b>	<b>9,557</b>	<b>94,522</b>

# NOTES

## General information on the six-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 six months of 2010 were approved for publication in a resolution passed by the Management Board on August 11, 2010.

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

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

## 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 315 a (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 June 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 profit or loss, financial position and the assets and liabilities 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, August 11, 2010

The Management Board



Marco Fuchs  
CEO



Prof Dr Manfred Fuchs  
COO Space



Ulrich Schulz  
COO Telematics



# Calendar of events 2010

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Six-month report and conference call	August 11, 2010
Commerzbank Sector Conference Week, Frankfurt am Main	August 25-26, 2010
UniCredit German Investment Conference, Munich	September 21, 2010
Nine-month report and conference call	November 10, 2010
Analyst and investor conference Deutsches Eigenkapitalforum Frankfurt am Main	November 22-24, 2010

## Pictures:

Title: INAF – Osservatorio Astronomico di Cagliari

Page 08: OHB-System AG

Page 10: Kayser-Threde GmbH

Page 11: Carlo Gavazzi Space S.p.A.

Page 13: NASA/ Jim Ross

Page 15: OHB Teledata GmbH

\* 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.

**OHB Technology AG**

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

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



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Official partner to Werder Bremen