

Annual Report 2012



OHB AG in Figures

The Group	in EUR 000s				
	2012	2011	2010	2009	2008
Revenues	615,982	555,689	425,448	287,164	232,473
Total revenues	632,729	555,292	453,323	321,818	260,029
EBITDA	46,126	43,101	33,688	31,659	28,736
EBIT	31,013	27,276	22,730	20,771	18,708
EBT	23,995	19,517	15,384	18,039	16,092
Net income for the period	14,826	13,523	9,642	14,860	8,998
Earnings per share (EUR)	0.85	0.78	0.55	0.96	0.61
Total assets	535,704	528,239	466,396	441,905	328,104
Equity	124,763	113,577	105,170	98,125	81,362
Cash flow from operating activities	17,559	21,137	42,123	32,596	9,353
Equity investments	21,571	15,533	19,126	14,681	16,260
thereof capital spending	760	156	6,543	120	1,520
Employees on December 31	2,493	2,352	1,677	1,546	1,284

The Stock	in EUR				
	2012	2011	2010	2009	2008
Closing price	15.15	11.40	16.60	11.20	8.00
Year high	16.50	17.45	18.34	11.35	13.92
Year low	11.16	8.25	11.50	5.85	4.82
Market capitalization at year-end	265 million	199 million	290 million	196 million	119 million
Number of shares	17,468,096	17,468,096	17,468,096	17,468,096	14,928,096

The OHB Group at a glance

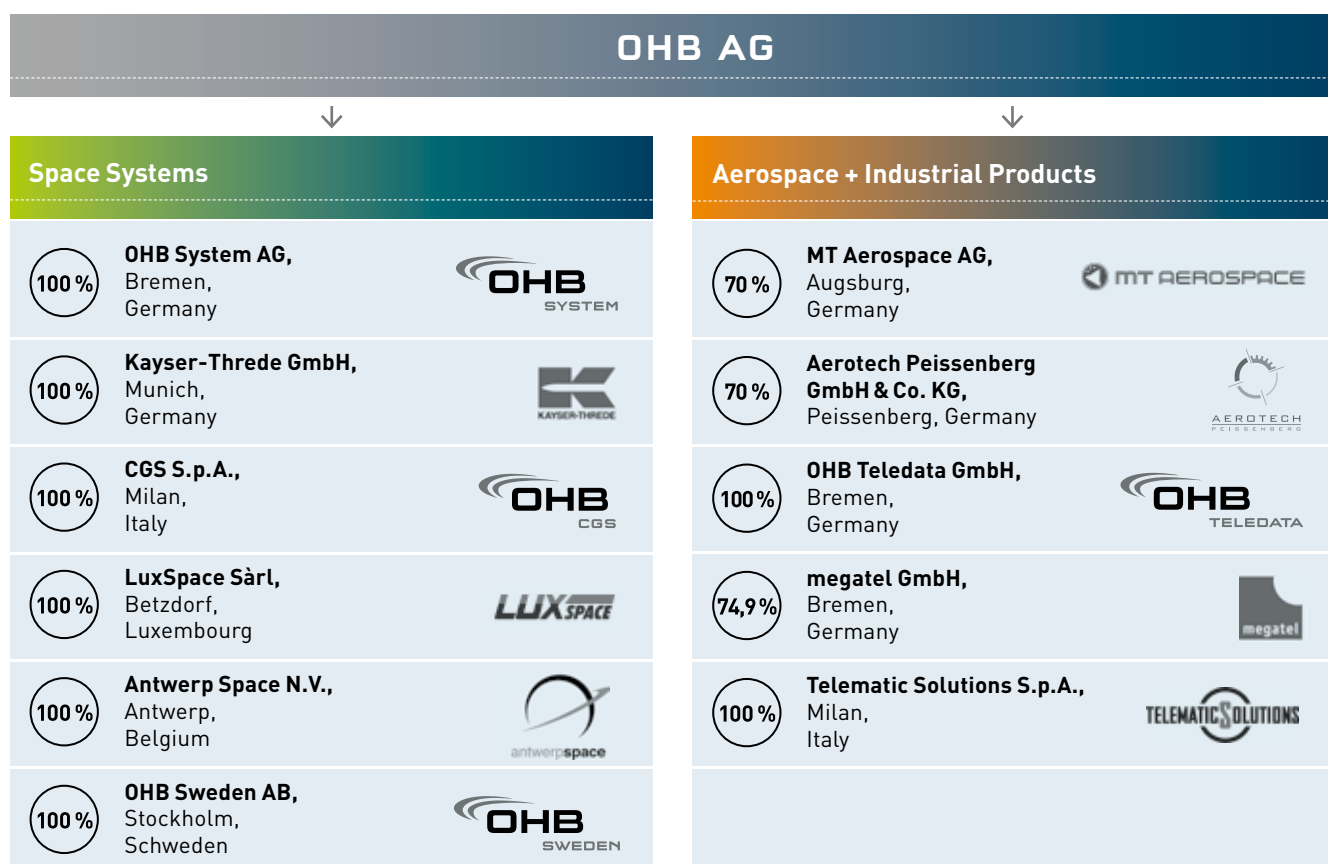
OHB AG is a European space flight and technology group and one of the most important independent forces in European aviation/aerospace. With more than 30 years of experience in developing and executing innovative space technology systems and structures and its range of specific aviation/aerospace and telematics products, the OHB Group is superbly positioned to face international competition.

“Structure follows strategy” – in line with this principle, OHB AG has reorganized its business units. The new segmentation reflects the strategy of integrating the individual subsidiaries more effectively in order to harness synergistic benefits and to pool related areas more efficiently. The Group’s skills, strategies and solutions are pooled in two core segments.

The **“Space Systems” business unit** focuses on developing and executing space projects. In particular, it is responsible for developing and fabricating low-orbiting and geostationary small satellites for navigation, research, communications and earth observation including scientific payloads. Its manned space flight

activities chiefly entail 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. In addition, efficient reconnaissance satellites and broadband wireless transmission of image data form core technologies for security and reconnaissance.

The **“Aerospace + Industrial Products” business unit** is primarily responsible for fabricating aviation and space products as well as other industrial activities. In this area, OHB has established itself as a significant supplier of aerospace structures for the aviation and space industry; among other things, it is the largest German supplier of components for the Ariane 5 program and an established producer of critical components for aircraft engines. In addition, OHB is an experienced vendor of mechatronic systems for antennas and telescopes and is involved in several major radio telescope projects. OHB telematics systems serve the logistics industry around the world by offering efficient transport management and consignment tracking facilities.



OHB Group in Europe



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Ulrich Schulz,
born in 1951, engineer,
member of the Management
Board of OHB AG since 2000

Marco R. Fuchs,
born in 1962, attorney,
Chief Executive Officer of
OHB AG since 2000

Prof. Dott. Ing. h.c. Manfred Fuchs,
born 1938, engineer,
member of the Management
Board of OHB AG since 2002

Dear shareholders, customers and business associates,

In 2012, German stocks proved to be a very sought-after asset class not least of all due to the historically low interest rates, which rendered sovereign and corporate bonds less attractive as an alternative form of investment. Despite the absence of any clear trend over the year as a whole, the German bluechip DAX index advanced by almost 30%. Our OHB stock largely tracked the market as a whole last year but outperformed the DAX at the end of 2012 with gains of somewhat more than 30%.

Among other things, the stock was buoyed by the positive outcome for the OHB Group of the resolutions passed at the ESA Council Meeting at Ministerial Level at the end of November 2012. OHB will be benefiting doubly from the decision to go ahead with an enhanced version of the European Ariane 5 ME launcher as well as the next-generation Ariane 6 – on the one hand as a shareholder in Arianespace S.A., which markets the Ariane launchers, and on the other as a supplier of key components via our subsidiary MT Aerospace. Equally as significant is the decision in favor of the new “Electra” project, a fully electrically powered satellite based on OHB’s SmallGEO platform.

At the beginning of 2012, we received a material boost both for our business and for our stock with the receipt of the contract to build a further eight Galileo* navigation satellites worth EUR 256 million and the signing of contracts for the development, construction and testing of the third-generation MTG weather satellites with Thales Alenia Space, the prime contractor in the program, for EUR 750 million. More details on the progress and further development of the Galileo program can be found in several places throughout this annual report.

Contracts for the performance of studies and development of plans for future projects and programs are one of the most important instruments for generating impetus and for engaging in anticipatory space research. We demonstrated this successfully several times during the year under review. “Electra” (see above) and “NELS”, a study being conducted by ESA for exploring new avenues in future European launch services (New European Launch Service), are thus offering OHB an important platform for contributing its ideas to European space development.

The operating business, cost structures and organization of Aerotech Peissenberg, which we acquired at the beginning of 2011, were favorable. As a result, this subsidiary managed to turn the corner, making a positive contribution to consolidated earnings in 2012 for the first time.

However, what is decisive for you as our shareholders is the fact that we were again able to reach new heights, which are reflected in total revenues as well as in EBITDA, EBIT, net profit for the year and notional earnings per share. The Management Board and the Supervisory Board will be asking the shareholders to approve an increased dividend of EUR 0.37 per share.

The strategy of steady and, more particularly, controlled growth has now resulted yet again in record total revenues and earnings in absolute terms. This is due to organic growth achieved through new contracts and projects as well as additions and extensions to existing orders. However, last year, the OHB Group also grew as a result of major and minor acquisitions in the space and aviation sector, which will strengthen the Group's competitive position in its two business units in the medium and long term. Group management's main task in 2012 was to integrate the newly acquired companies within OHB AG's corporate structure, which had also been revised at the same time, and also to reinforce personnel resources in the management structures at the Group level as well as at the individual subsidiaries.

We were deeply saddened by the sudden death of the deputy chairman of our Supervisory Board, Prof. Dr.-Ing. Hans Josef Rath, who left us for ever at the beginning of September 2012 after a brief yet serious illness. We have lost in him a top expert and pioneer in space flight, a long-standing companion and, most of all, a dear friend.

Outlook for 2013

Looking forward to 2013 and beyond, the OHB Group will be maintaining the growth strategy which it has adopted and, with an order backlog of around EUR 1.6 billion (previous year EUR 1.0 billion), will be able to continue operating at high capacity utilization in all business units. On the strength of this solid basis for planning, the Management Board expects consolidated total revenues to rise by around EUR 80 million or 13% over the previous year to more than EUR 700 million in 2013 as a whole, underpinned by both business units, whose total revenues will be up on 2012 levels. At over EUR 53 million (up 15% on the previous year) and more than EUR 36 million (up 20% on the previous year), respectively, EBITDA and EBIT should not only exceed the previous year in absolute terms but also reflect the improved cost structure and hence the better margin situation.

I would like to take this opportunity to thank all our staff at all of the Group's companies for their services, dedication and innovative ideas. If it were not for them, we would not have achieved last year's successes. All business units, including our new investments, have contributed to the Group's growth and competitiveness. It is with this same commitment and enthusiasm that we will be joining together in our efforts to ensure that the new OHB Group remains a European success story.

Bremen, March 13, 2013



Marco R. Fuchs
Chief Executive Officer

Dear shareholders,

We have every reason to believe that the OHB Group's favorable business performance in 2012 will continue over the coming years. The space flight resolutions passed by the ESA Council Meeting at Ministerial Level in November 2012, particularly those pertaining to the development of Ariane 5 ME and Elektra, open up additional potential for further growth within the OHB Group and already underpin the utilization of existing development and production capacities. The current order backlog of around EUR 1.6 billion provides a material basis for capacity utilization and continued growth within the Group. The new acquisitions have been successfully integrated within the OHB Group's new structure. In this connection, particular mention should be made of the successful turnaround at Aerotech Peissenberg, which has returned to the black primarily as a result of the selection of the right management team and the dedication which they have been showing.



Prof. Heinz Stoewer,

Member of the Supervisory Board since 2005, born in 1940, engineer, M. Sc., Professor em. Space Systems Engineering, Technical University of Delft, Netherlands, Managing director of Space Associates GmbH

Christa Fuchs,

Chairwoman of the Supervisory Board of OHB AG, Member of the Supervisory Board since 2002, born in 1938, business woman, Managing shareholder of VOLPAIA Beteiligungs-GmbH

Robert Wethmar,

Member of the Supervisory Board since November 7, 2012, Born in 1961, attorney, Partner at law firm Taylor Wessing

Last autumn, a shadow was cast over the successful activities of the Management Board and Supervisory Board with the unexpected death of the Deputy Chairman of our Supervisory Board, Prof. Dr.-Ing. Hans Josef Rath. We have lost in him a top expert and pioneer in space flight, a long-standing companion and, most of all, a dear friend.

In response to an application submitted by OHB AG's Management Board, the Local Court of Bremen appointed Mr. Robert Wethmar to the Company's Supervisory Board in a ruling dated November 7, 2012. This closed the gap which Prof. Rath's sudden death had created on the Supervisory Board.

Robert Wethmar has been a lawyer in Hamburg since 1992 and was admitted as an attorney at law in New York in 1993. He has been with the international law firm Taylor Wessing since 1994 and a partner since 1997.

OHB AG together with its Supervisory Board and Management Board is committed to good and responsible corporate governance. This commitment is shared by the majority shareholders and the Group's entire management. In addition to the observance of high statutory and ethical standards by employees with their keen sense of responsibility, OHB attaches particular importance to environmental protection, the greatest possible quality and the safety, health and equality of its employees. Looking ahead over the next few years, one objective will be to interest a greater proportion of women in the exciting and interesting career opportunities awaiting them in aviation/aerospace, a sector which is still heavily dominated by men, and to encourage more girls and women to embark on a technical career. In this respect, the now traditional "Girls' Day", which the Group organizes, merely marks the beginning of a whole series of activities and measures aimed at arousing women's interest in a career in this industry. Special partnerships with universities and tertiary-education institutions as well as training and skills development for women and the targeted development of female staff right up to the management and executive level will provide additional ongoing support for this program in the future.

In 2012, the Supervisory Board performed its duties with great care in accordance with the applicable statutory requirements, the provisions of the Company's bylaws and its rules of conduct. The Supervisory Board is responsible for overseeing the Management Board by monitoring its activities and exerting influence. This latter function plays a decisive role in the Company's success not only in the short term but also on a medium and long-term basis.

The Management Board briefed the Supervisory Board regularly and comprehensively on order intake, total revenues, earnings and capacity utilization at OHB AG as well as within the individual business units, particularly updating it on the progress made in integrating the new acquisitions. The Management Board answered all of the Supervisory Board's questions in full and comprehensively. The Supervisory Board sought and received ongoing information on corporate planning, strategic development and the main acquisition projects and advised the Management Board on individual matters relating to corporate acquisitions and project tenders.

The Supervisory Board held five scheduled meetings at which it deliberated on the Group's performance, the reports submitted by the Management Board, the status of pending tender pro-

cesses and planned acquisitions and divestments, progress made in integrating the newly acquired investments and the corporate budgets for 2013 and 2014. Ordinary meetings of the Supervisory Board in 2012 were held on March 14, May 16, June 29, September 19 and December 20.

The meeting held on March 14, 2012 was chiefly devoted to the Management Board's report on the Group's performance in the year from January 1, 2012 through December 31, 2012, the current state of business and the forecasts for 2012. For this purpose, the Management Board submitted the annual financial statements, the consolidated financial statements and the management reports for OHB AG and the Group for 2011. The statutory auditors from BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, personally presented the audit report and elaborated on it at this meeting. The Supervisory Board approved the annual financial statements and the consolidated financial statements of OHB AG. The Report of the Supervisory Board including the declaration of consent of the Related Parties Report prepared by the Management Board was also approved. At this meeting, the agenda of the 12th annual general meeting, which took place on May 16, including proposed resolutions for the utilization of the unappropriated surplus, the increase in the dividend to EUR 0.35 and the adjustments to compensation for the Supervisory Board among other things, was finalized. A resolution was also passed for a visit by the Supervisory Board to Aero-tech Peissenberg prior to the annual general meeting.

At the meeting held on May 16, 2012, the Management Board reported on the Group's business performance in the first quarter of 2012 as well as the current state of business. In addition, the Management Board and the Supervisory Board engaged in a preliminary review of the annual general meeting, which had been held on the previous day. A further item on the agenda concerned the status report by the Management Board on the Ariane 5 ME (Mid-Life Evolution) and ExoMars projects and on the receipt of the OPSIS project by CGS in Italy. Reports were provided on the proposal submitted by OHB for a study for the development of a new European launcher and for the Artes 33 project by the end of June. The contracts of all the members of OHB AG's Management Board expired on June 30, 2012. In individual negotiations with each of the members of the Management Board, the Chairwoman of the Supervisory Board finalized the terms and conditions and durations of the renewed Management Board contracts.

The main business conducted by the Supervisory Board at its meeting on June 29, 2012 involved unanimous resolutions approving the renewal of the appointment of the members of OHB AG's Management Board, namely Marco R. Fuchs, Prof. Manfred Fuchs and Ulrich Schulz, and the presentation and approval of their Management Board contracts.

Following Prof. Rath's sudden death, the Supervisory Board no longer had the requisite number and was therefore not quorate at its meeting on September 19, 2012. Despite this, the members of the Supervisory Board and the Management Board decided to hold an informal meeting, during which the Management Board reported on business performance in the first half of 2012 as well as the current state of business. Particular attention was paid to developments at Aerotech Peissenberg GmbH & Co. KG and the NELS study. In addition, the Management Board reported on the complex developments in connection with the EnMAP project.

Held shortly before the end of the year on December 20, 2012, the Supervisory Board's fifth meeting dealt primarily with the Group's business performance in the third quarter of 2012, the current state of business and expected earnings for 2012. In addition, the forecast for 2013 was considered in detail for each Group company and projections and the medium-term forecasts presented. The assumptions underlying the budget particularly in the light of the resolutions passed by the ESA Council Meeting at Ministerial Level in November 2012 and the resultant opportunities and risks as well as possible scenarios for the next two years were discussed exhaustively and in great detail. In this connection, individual contracts and projects such as Ariane 5 ME and Ariance 6 as well as EnMAP and MTG were examined in the light of their significance for the individual business units and Group companies.

Following the appointment of Mr. Wethmar, who attended this meeting of the Supervisory Board for the first time and abstained from voting on this item of the agenda, mandates awarded to law firm Taylor Wessing are subject to special requirements in accordance with Section 114 of the German Stock Corporation Act. The consent of the Supervisory Board is required whenever Taylor Wessing's services are utilized by the OHB Group.

Corporate governance

The Management Board also submitted a corporate governance report to the Supervisory Board in accordance with Section 3.10 of the German Corporate Governance Code in connection with the corporate governance declaration stipulated by Section 289a of the German Commercial Code. The corporate governance declaration can be examined at OHB AG's website. The Supervisory Board regularly discussed the application and further development of the principles of corporate governance within the Company. On December 20, 2012, the Management Board and the Supervisory Board issued an updated declaration of conformance in accordance with Section 161 of the German Stock Corporation Act and made this available permanently to shareholders at the Company's website.

Approval of the annual financial statements for 2012

The parent-company financial statements, the consolidated financial statements and the related management reports of OHB AG for 2012 were audited by BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, and issued with an unqualified auditor's report.

These documents were made available to all members of the Supervisory Board in sufficient time. At the Supervisory Board's balance sheet meeting held on March 13, 2013, these documents were discussed in the presence and with the involvement of the statutory auditor.

The Supervisory Board did not raise any objections and accepted the results of the audit. It approved the consolidated financial statements, as a result of which they are now deemed to have been duly adopted. The Supervisory Board concurred with the Management Board's proposal for the allocation of the Company's unappropriated surplus. The related parties report prepared by the Management Board was audited by BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, and given the following unqualified audit certificate:

"Having examined and assessed the related parties report in accordance with our duties, we hereby confirm that 1. the facts stated in the report are correct, 2. the Company's transactions as detailed in the Report were not unreasonably high." The Supervisory Board raises no objections following its own examination and therefore approves the Management Board's Related Parties Report.

The Supervisory Board wishes to thank the Management Board, all employees and the employee representatives for the work performed. They have once more made a contribution to a very successful year for OHB AG.

Bremen, March 13, 2013



Christa Fuchs
Chairwoman of the Supervisory Board

OHB says goodbye to Prof. Hans Josef Rath



Prof. Dr.-Ing. Hans Josef Rath, a long-time member and most recently Vice-Chairman of the Supervisory Board of OHB AG, died in the night from 3 to 4 September 2012 after a brief yet serious illness at the age of only 65. The news of his death hit us very hard.

We will remember the deceased as a scientist, manager and visionary whose courage, curiosity and drive made a decisive contribution towards advancing space flight in Bremen.

Hans Josef Rath was born on 24 May 1947 in Nuttlar, Westphalia. He studied mechanical engineering at the University of Hanover where he graduated in 1974, completing his doctorate in engineering two years later. In 1981, he held the chair of Technical Mechanics and Fluid Mechanics in the

Production Technology Faculty of the University of Bremen. And in 1985, he established the Centre of Applied Space Technology and Microgravitation (ZARM) in Bremen. Only a few years later, he developed and managed the internationally-acclaimed drop tower. Until shortly before his death, Hans Rath put his entire energy into preparation for construction of a second drop tower.

In 2001, the professor was appointed a member of the Supervisory Board of OHB Teledata AG, now OHB AG. 2005 saw him become Vice-Chairman of the Supervisory Board. Apart from this position, he also held several honorary offices, e.g. as Chairman of the Board of Trustees for Space Systems at the German Aerospace Center (DLR), as a member of the Senate of the German Aeronautical and Astronautical Society (DGLR) or as Vice-President of the International Astronautical Federation (IAF) from 1997 to 2000.

We have lost an outstanding space expert and pioneer, a long-time colleague and dear friend. His death leaves a gaping hole in the OHB family.



“Galileo is in good hands with us”

Interview with Dr. Ingo Engeln

Satellite-based navigation systems not only help us when we are driving but also play a crucial role in the business of numerous companies from different industries, such as logistics specialists, shipping companies, airlines and agriculture, not to mention rescue services, the police and coastal protection services. What is more, the provision of a highly accurate time reference forms the basis for time-critical applications such as money transfers in the financial markets. According to estimates by the European Union, the market for services and products related to global satellite positioning is set to reach a volume of almost EUR 240 billion by 2020, increasing to EUR 400 billion within only a further five years. Europe will soon be playing a leading role in the fast-growing market of the future with its own Galileo* system. The plans adopted by the European Space Agency ESA provide for Galileo* to go into operation at the end of 2014 with an initial 18 satellites. In its final stage of completion, the system will have 30 satellites. OHB system is the prime contractor for the 22 Galileo* satellites in the FOC (full operational capability) phase and additionally responsible for developing the satellite platforms and integrating the completed satellites. In an interview, Dr. Ingo Engeln, the responsible member of OHB-System's Management Board, provides an update on the current status of the project and offers an outlook for the future.

Dr. Engeln, OHB was awarded the contract by ESA for the construction of 22 Galileo* satellites worth a good EUR 800 million. In doing so, you were pitted against a substantially larger

space technology group in the bidding process. How did you achieve this?

By pooling the expertise of first-class employees and efficient partners combined with hard work and lots of creativity. The concept devised by our project team is based on inexpensive series production unprecedented in this form. When a good three years ago we submitted our bid for the first installment of the FOC satellites, i.e. those which are to ensure full operational capabilities after the testing phase with four satellites, we were viewed as outsiders. Although we were convinced of the quality of our proposal, we assumed that the EU would at most opt for both bidders on a dual-sourcing basis in view of the prestige of this project. Yet, just a few weeks later, the EU and ESA awarded us the sole contract for an initial 14 satellites. Exactly two years later, we prevailed again, obtaining the contract for a further eight satellites.

What was the reason for this? After all, as the “defending champion” you faced the challenging of submitting a more attractive bid than your competitor once more.

After prevailing in the first bidding process chiefly on account of the price, we benefited from the fact that the project had already entered its second year and large parts of the development and sourcing activities had already been completed. Production at our Bremen-based integration halls had commenced. Ultimately, our superior value for money is what favored us.

“Galileo will arguably be the world's most advanced satellite navigation system.”



„We already work on concepts for next generation satellites.“



Do you see any problem in the fact that a good 40 percent of the project volume has been subcontracted to another company?

No. This is standard practice with projects of this magnitude and indeed as the lead manager it is necessary for us to contract out work, in this case the navigation payload for example. In this way, we are able to leverage the experience and capacities of other companies, thus ensuring that we do not overload our own resources.

Can you deliver the volume ordered in an adequate cadence?

Yes, we have since developed a certain production routine. What is more, we have reliable partners. The FOC satellites comprise the platform developed and assembled by OHB System and the payload sourced from Surrey Satellite Technology Ltd. in Guildford, United Kingdom. Four satellite platforms have now been fully integrated. The first flight model has been married to the payload and is currently undergoing testing at the system level. The second payload will be integrated at the end of January 2013. We have also already completed various linking tests with the ground segment. Now we are eagerly awaiting the outcome of the environmental impact campaign at European Test Services in Noordwijk. This will show once and for all whether the satellites receive flight readiness status in the form in which we have designed and assembled them. We have no doubts about this and are convinced that the production of the Galileo* satellites is in good hands with us.

Is Galileo* technically superior to other positioning systems such as the United States' GPS and the Russian GLONASS system?

From the outset, the signal precision has been designed with a view to ensuring that it is superior to the current-generation GPS and GLONASS systems. Even the open service will permit positioning with a tolerance of less than one meter. To this end, Europe has developed the world's most precise clocks for use in space for satellites. What is more, Galileo* can be used in conjunction with GPS, meaning that later on twice as many

satellites will be automatically available for positioning purposes. This will result in major improvements particularly in difficult terrain such as densely built-up urban regions and in the mountains. At the end of 2014, a total of 18 Galileo* satellites will be available, to be joined by a further eight in 2015, thus resulting in a constellation of 26 satellites to establish the planned global services. Galileo will then arguably be the world's most advanced satellite navigation system.

What significance does Galileo* have for OHB AG?

A very large one as our contribution to this project is reinforcing our competitive position within the European space industry on a sustained basis. Wherever appropriate, we are using the resources available from other Group companies. In this way, we can organize our work more efficiently and share expertise across the Group. We are demonstrating that we have the skills required to produce highly sophisticated satellites efficiently and inexpensively. In this way, we are helping to ensure compliance with the budget of EUR 3.4 billion provided by the EU for the entire system, sourcing the technology at transparent costs and thus minimizing the risk to tax payers of any unexpected price hikes. In addition, the project will substantially enhance the European industry's competitiveness in the global market as a whole. The European Commission's decision to go for at least two bidders in some of the six Galileo* segments from the outset is paying off. This contract award process will doubtless also serve as a reference for other EU space programs.

Why do we even need Galileo*? After all, the US Global Positioning System as well as the Russian GLONASS system have been in operation for years and China, India and Japan will be establishing systems of their own in the foreseeable future.

The market is currently dominated by GPS. However, the US system like the Russian GLONASS systems is of a military nature. It is operated by the US Air Force on behalf of the US Ministry of Defense. For this reason, the United States reserves the right to distort, impair or even de-activate all GPS signals

* see Glossary

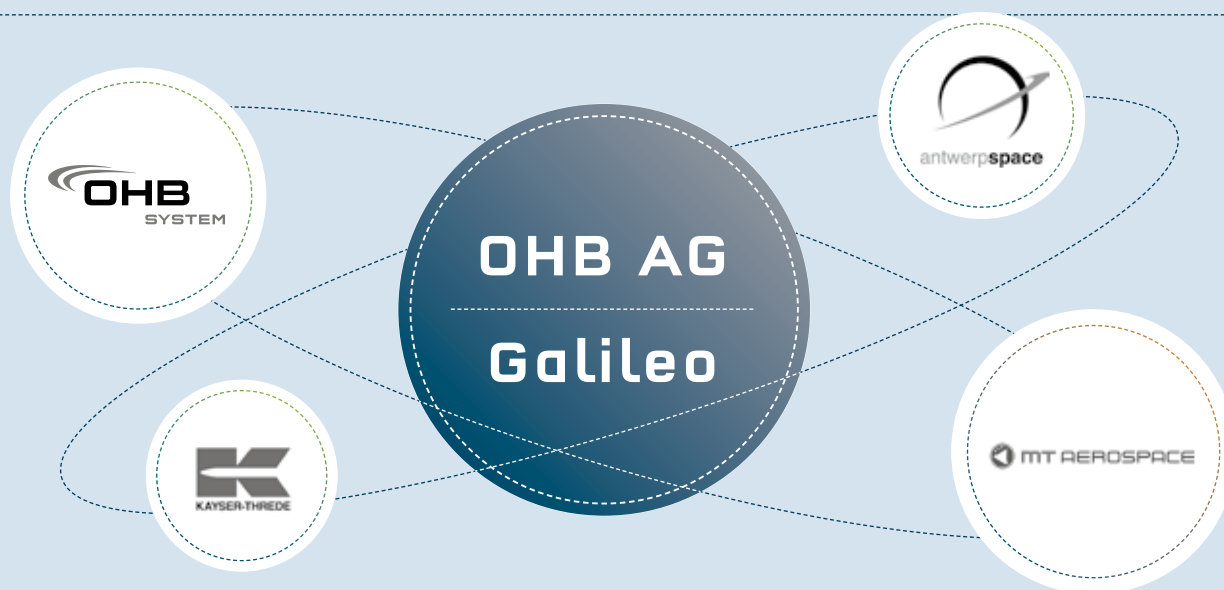
for external users. Up until 2000, the standard signals of the open GPS services were artificially limited to a precision of over 100 meters compared with eight to 15 meters in normal conditions. It is only since May 2000 that the Air Force has been forbidden by law from manipulating the Standard Positioning Service (SPS), although this only applies in times of peace. And the more accurate Precise Positioning Service (PPS) is reserved for military users. Although US troops, intelligence services and allies have encrypted access to data with a precision of three to six meters, in a contingency situation it is possible for non-US users to be excluded. For this reason, extension systems must be obtained for civil users such as aviation which are dependent on signal integrity to verify and enhance the freely available GPS data, to detect sources of errors and to provide early warning of any disruptions. Europe has been operating the European Geostationary Navigation Overlay Service-System (EGNOS) for this purpose since 2009. Galileo* will put an end to this depend-

ence on GPS and ensure reliable and constant positioning data. European institutional customers in particular as users of the public regulated services will be able to employ the Galileo* services worldwide independently of other systems. Europe has deliberately opted for a civil, multinational system. Although Galileo* will also be offering security-relevant services for a defined user group in the future, the system as a whole will remain in civil hands and thus be transparent for each European.

What will be coming after Galileo*?

Our satellites have a life expectancy of twelve years. This means that we will need follow-up generations to ensure the uninterrupted availability of positioning services. We are also active in this area and will be developing new ideas and concepts for the next-generation navigation satellites as part of the Galileo Evolution Program.

OHB subsidiaries involved in Galileo*:



→ OHB System AG

Prime contractor for the development and production of 22 FOC satellites, system prime for the satellite platform, responsible for satellite integration.

→ Kayser-Threde GmbH

Development, integration and testing of the Precision Time Facility (PTF) at the DLR Galileo* control center the DLR in Oberpfaffenhofen; design, production and integration of the harness for the four IOV satellites.

→ Antwerp Space N.V.

Design, development and assembly of the mission data distribution network (MDDN) and the Satellite Data Dissemination Network (SDDN) for the IOV ground network and their extensions regarding the FOC phase.

→ MT Aerospace AG

About ten percent of the production work on the Ariane-5 launch vehicle, which will be transporting Galileo* FOC 11-14 into space, launch pad and launch preparation services for both the Ariane 5 and the Soyuz launchers in Kourou French-Guayana.

GALILEO

A NEW ERA IN THE
HISTORY OF EUROPEAN
SPACE TECHNOLOGY IS
DAWNING



Enhanced technologies



“Europeans will be able to exploit the opportunities of enhanced satellite navigation provided by Galileo in 2014. I am proud to see that Europe has a highly competitive space industry capable of realising such an ambitious high tech programme.”

Antonio Tajani,
Vice-President of the
European Commission

MILESTONES

4/2008

Start signal for Galileo*

→ The European Parliament announces the inception of the European Galileo* satellite navigation project. Europe will be establishing the entire space and ground infrastructure at a cost of EUR 3.4 billion using EU funding.

9/2008



OHB qualifies as one of two bidders

→ Ahead of the actual bidding process, the European Space Agency ESA acting on behalf of the European Commission selects OHB System AG as one of two bidders for the construction of 28 Galileo* navigation satellites. One of the key factors in this success is OHB's contractual partnership with Surrey Satellite Technology Ltd. (SSTL) from Guildford, United Kingdom. The proposal provides for OHB to act as general contractor and to assemble the satellite platforms, while SSTL is to supply the payloads for the satellites. A total of five bidders take part in the tender process for the "satellite" work package.

6/2009



First contract signed for long-lead items

→ At the Paris Air Show, the European Space Agency ESA and the bidding syndicate led by OHB-System AG and SSTL sign a sourcing contract for long-lead items for the Galileo* satellites. With the funding of EUR 10 million provided, OHB and SSTL are able to procure and develop the additional technological components required for the assembly of the satellite regardless of whether they are ultimately awarded the contract or not. By retaining the option of awarding the contract to two syndicates, ESA ensures that full operational capability of the system is achieved as quickly as possible.

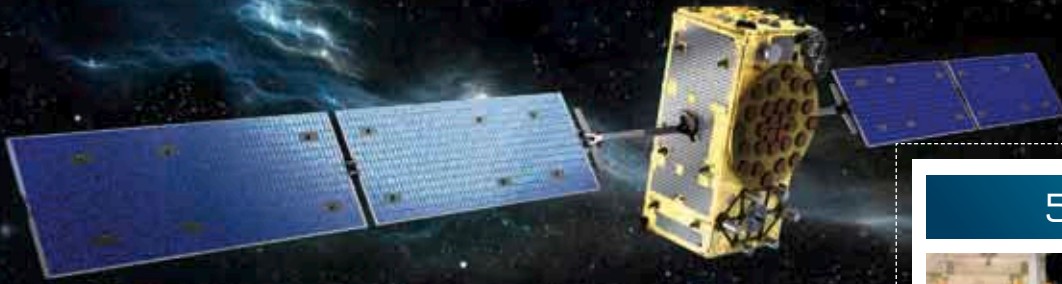
1/2010



Contract awarded for 14 satellites

→ Commissioner of Traffic and Vice President of the European Commission Antonio Tajani announces that the OHB/SSTL syndicate has been awarded the contract for developing, assembling and testing an initial 14 Galileo* satellites. Worth a total of some EUR 566 million, the contract is signed at a special ceremony at ESA's Space and Technology Center in Noordwijk, Netherlands. Alongside OHB, Arianespace from France (launch services) and Thales Alenia Space from Italy (system support) also sign contracts with ESA covering the packages assigned to them. In accordance with the requirements defined by the European Commission, the Galileo* system is to be fully operational in 2014.

* see Glossary



5/2012



First FOC satellite integrated

→ 27 months after the commencement of the Galileo* program and a good one month after SSTL ships the first payload to Bremen for the full operational capability phase, OHB System completes the integration of the first of a total of 22 satellites in the new integration hall officially opened on the following day. The entire satellite comprises the platform developed and built by OHB and the payload supplied by SSTL. OHB launches an extensive testing program to prepare the satellites for the final flight and function review. At the same time, work on assembling the second satellite and the preparatory activities for the third satellite are commenced. In addition, preparations for series production in corresponding assembly islands are initiated.

2/2012



Contract awarded for a further eight satellites

→ OHB System is awarded the contract for the construction of a further eight Galileo* navigation satellites and for the full operational capability phase. This contract has a volume of around EUR 256 million. Accordingly, OHB System is the prime contractor for the construction of what is now a total of 22 satellites for the navigation system and is responsible for developing the satellite bus and for integrating the satellites. SSTL is to develop and assemble the 22 navigation payloads and additionally assist OHB with the final assembly of the satellites in Bremen.

12/2011



Establishment of ground network

→ Antwerp Space NV and Thales Alenia Space France, the industrial prime contractor in the implementation of the Galileo* Ground Mission Segment, sign a contract. With a total volume of EUR 11 million, it provides for Antwerp Space to extend the existing in-orbit validation ground network and to handle the corresponding network activities during the full operational capability phase.

HIGHLIGHTS IN 2012

2012 was a year of further growth for OHB AG. Here in brief are the main events of the year in chronological order.



2012 at a glance

January 2012

MT Aerospace awarded a contract for the operation and maintenance of the mechanical systems at the launch pad at the Kourou space center in French-Guyana

Once again, MT Aerospace secured an important service contract in Kourou for itself: Under the terms of this contract, subsidiary MT Aerospace Guyane of the Augsburg-based supplier of aviation and space components is responsible for operating and maintaining the mechanical systems fitted to all launch pads at the CSG space center in French Guyana from 2012 until 2016. This marks a continuation of the Company's long-standing partnership with the European launch vehicle operator Arianespace.

January 2012

Antwerp Space awarded contract for the further development of its OMNISAT-G3 image data modem

Antwerp Space signed a contract covering development work within the ESA framework program ARTES 3-4 for the design and development of a next-generation image data modem known as OMNISAT for advanced data acquisition. The contract has a volume of around EUR 2.2 million and covers development work over a period up to and including 2014. The new third-generation modem, OMNISAT-G3, achieves a substantially greater data rate and is fitted with the latest demodulation schemes, allowing it to receive and convert all present and future types of earth observation data.

Ariane-5 launch pad in Kourou, French-Guayana



January 2012

“VesselSat2” successfully launched

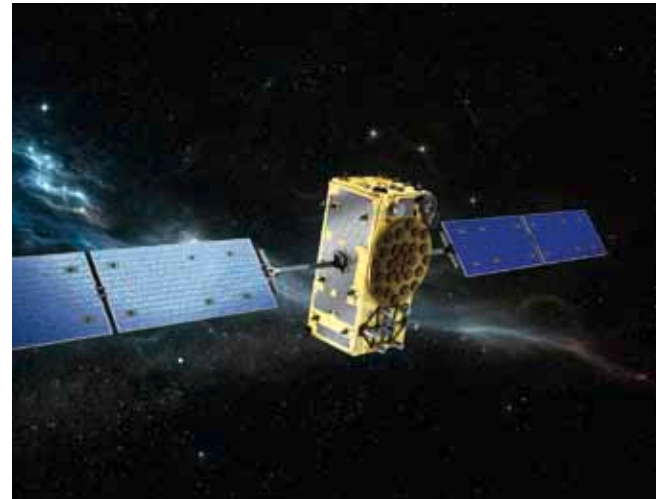
The second Luxembourg satellite “VesselSat2” was launched on board the “Long March 4B” launch vehicle, which lifted off from the Chinese Tajyuan space center on January 9, 2012, entering into a polar orbit. Preliminary contact was established with the satellite via the LuxSpace ground station in Belgium around four hours later. Weighing around 28 kilograms, “VesselSat2” was developed and built by LuxSpace within a single year. The exclusive rights to use the AIS satellite payload are held by ORBCOMM Inc., a global provider of satellite-based communications services. Following in-orbit testing and the check-out phase, VesselSat2 will be integrated in the existing ORBCOMM Next Generation (OG2) system, which comprises 18 satellites for the satellite-based monitoring of Automatic Identification System (AIS) data.



VesselSat2 being attached to the upper stage of Long March 4B

February 2012

OHB System awarded contract for the construction of a further eight Galileo* navigation satellites

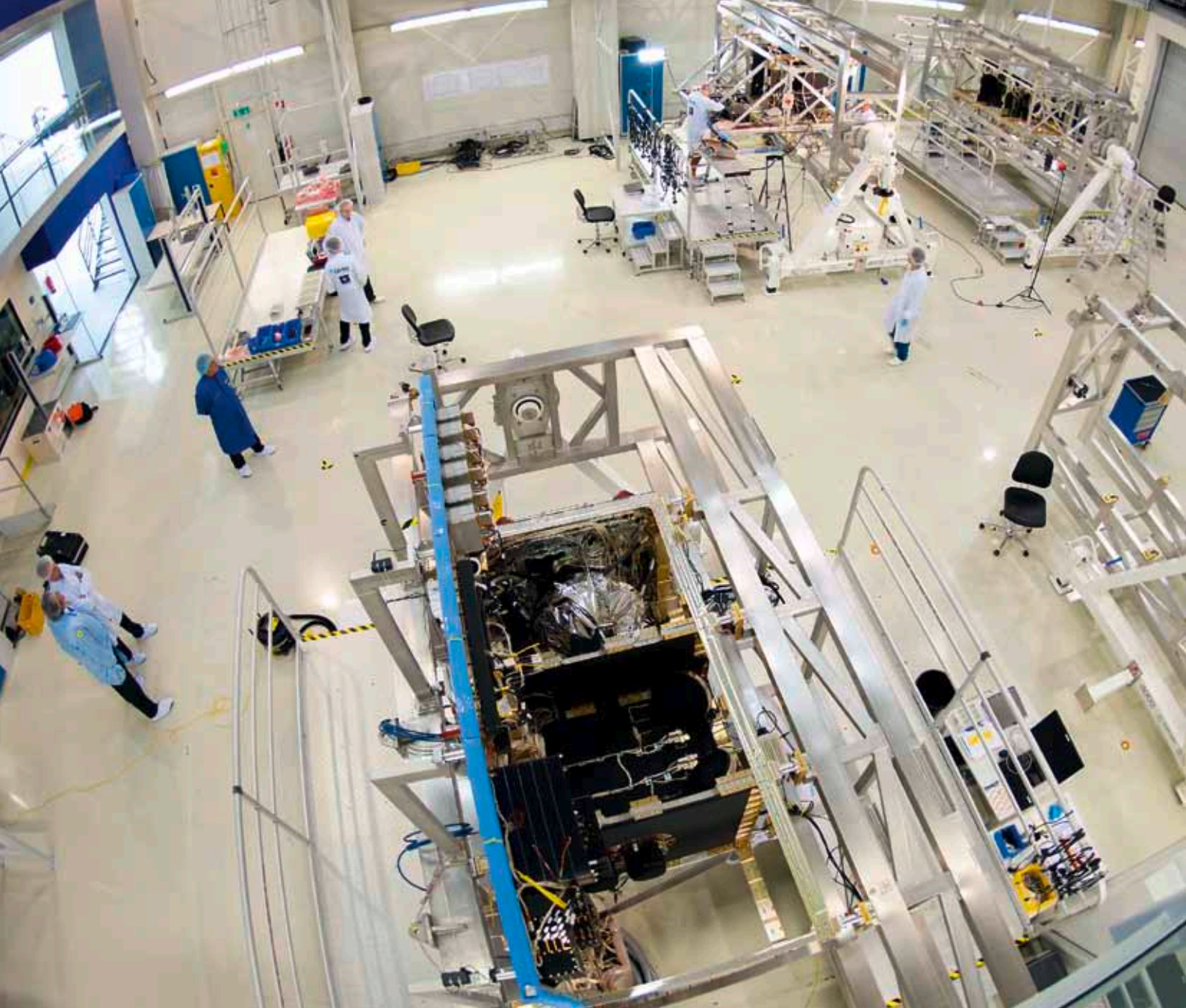


Artist impression of a Galileo* FOC satellite

On February 2, 2012, the Vice President of the European Commission, Antonio Tajani, announced that the syndicate comprising OHB System AG and Surrey Satellite Technology Ltd., Guildford, UK, (SSTL) had signed a contract with the European Space Agency ESA to build and test a further eight satellites for the EU-funded European satellite navigation system Galileo*. The contract is worth around EUR 256 million.

From left to right: Antonio Tajani, Vice President of the European Commission, Didier Faivre, ESA Director in charge of the Galileo* program and navigation, Marco R. Fuchs, CEO of OHB AG, and Dr. Ingo Engel, member of the Management Board of OHB System AG responsible for projects

* see Glossary



February 2012

LARES satellite **successfully launched** on board the first Vega launch vehicle

Developed by CGS, the LARES satellite (Laser Relativity Satellite) was successfully launched from Kourou, French Guyana, on board the Vega launch vehicle on its maiden flight on February 13, 2012.

LARES is a national mission sponsored by the Italian Space Agency ASI. Its main purpose is to verify Einstein's Theory of General Relativity using the international Laser Ranging Service (LRS) network. LARES weighs around 400 kilograms.



The LARES satellite (top middle) during the launch preparations of a Vega in Kourou, French-Guayana

March 2012

Third successful ATV launch with OHB's involvement

On March 23, 2012, an Ariane-5 launch vehicle transported the third automated transfer vehicle (ATV) to the International Space Station. Both MT Aerospace AG and OHB System AG again made material contributions to the mission by supplying components for the launch vehicle and the payload.

A further two ATV missions, in which both MT Aerospace and OHB System will be involved, are scheduled for execution by 2015.



ATV 3 on an Ariane-5 launch vehicle



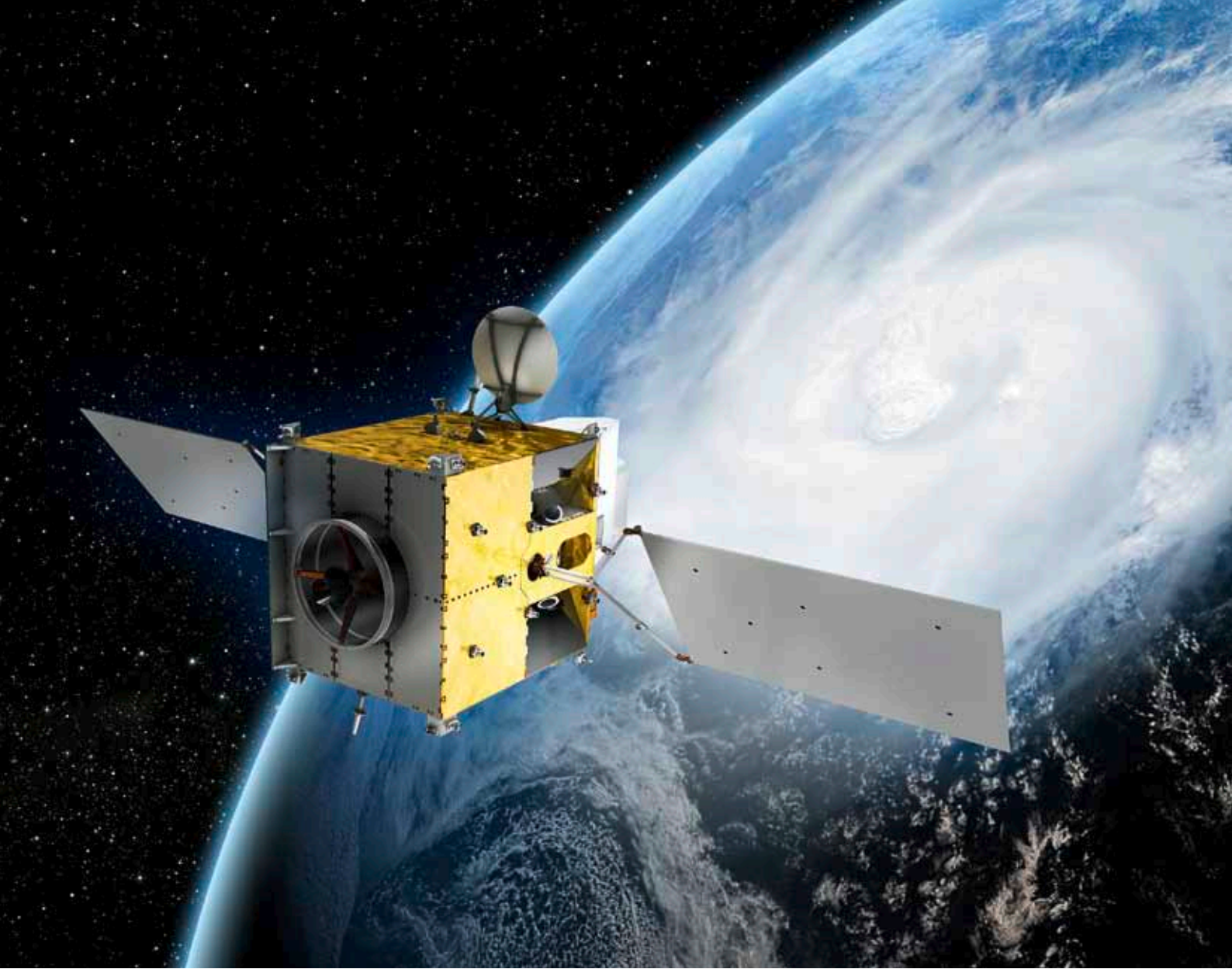
March 2012

MT Aerospace awarded contract for the construction of the flight hardware of the re-entry vehicle IXV

MT Aerospace received an important follow-up contract for the construction of the control flaps and heat-shield components of the European re-entry vehicle IXV. Following the completion of the development work and the successful critical design review, a contract for the qualification and assembly of the flight hardware was entered into between the Augsburg-based company and the prime contractor Thales Alenia Space Italia. IXV is to be launched in 2014 to test re-entry technologies for future space missions.

The highly complex ceramic components will be shipped in the second half of 2013. Scheduled to enter space on board a Vega launcher, the IXV will collect a large volume of important data upon re-entering the earth's atmosphere with the purpose of gaining further information which can be incorporated in the re-entry systems fitted to future European space missions.

Artist impression of the IXV servicing a satellite



Top: artist impression of an MTG sounder satellite;
bottom: partners signing the contracts in Berlin



April 2012

OHB and Thales Alenia Space signing contracts for Meteosat Third Generation (MTG) worth around EUR 750 million

On April 26, 2012, OHB System AG and Kayser-Threde GmbH signed contracts for the development, construction and testing of the third-generation MTG weather satellites with Thales Alenia Space, the prime contractor in this program. The volume of the contracts stands at a total of around EUR 750 million, while the project as a whole has a total value of some EUR 1.26 billion.

A package comprising four individual contracts was signed by the industrial partners. In these contracts, Thales Alenia Space has assigned responsibility to OHB System for developing and assembling two sounder satellites and a further four satellite platforms for the imager satellites being built by Thales Alenia Space. Kayser-Threde will be assuming system management on OHB System's behalf for the payload of the two sounder satellites and developing and supplying the telescopes for the four imager satellites.

April 2012

OHB System AG's Management Board extended

The Supervisory Board of OHB System AG appointed Dr. Ingo Engeln and Kurt Melching to the Management Board effective April 1, 2012. As a result, the Management Board now has five members instead of the previous three. These additions reflect the Company's strong growth over the past few years and seek to distribute the broader range of duties across a larger number of Management Board members.

Ingo Engeln, who has been with the Company since 1987, will be in charge of the newly created area of responsibility "Projects". With the Company since 1988, Kurt Melching has assumed the position of Chief Financial Officer with continued responsibility for finances and controlling at OHB System AG.



Dr. Ingo Engeln and Kurt Melching



Integration of the first Galileo* FOC satellite
at OHB System in Bremen

May 2012

First Galileo* FOC satellite integrated by OHB System

In May, OHB System AG completed the integration of the first of the 22 Galileo* FOC satellites, preparing it for the ensuing test phase after the first payload had been shipped to Bremen by Surrey Satellite Technology Ltd. (SSTL) in April.

While work was being performed on the first satellite, OHB prepared the work islands for series production. Production work on the second satellite as well as preparations for the flight model for the third member of the series are already underway.



Structural assembly of the first Galileo*
FOC satellite at OHB System in Bremen

* see Glossary

May 2012

New space for space flight: OHB's satellite integration hall in Bremen officially opened

On May 4, 2012, OHB System AG officially opened its new satellite integration hall in the presence of Peter Hintze, the parliamentary State Secretary of the German Federal Ministry of Economics and Technology and aerospace and aeronautics coordinator of the German federal government, and Martin Günthner, Senator for Economics, Labor and Ports of the Free Hanseatic City of Bremen.

With a floor area of 1,500 square meters, the Galileo hall conforms to purity class 100,000 and is OHB AG's largest satellite integration hall in Bremen. Construction of the hall took only one year on a budget of EUR 7 million.

The Galileo* hall is being used for two of a total of nine work islands for the Galileo* FOC (full operational capability) assembly activities. In addition, the Meteosat Third Generation (MTG) weather satellites and the SmallGEO communications satellites will be built there in the future.



Top: the new Galileo integration hall; bottom: Dr. Paul Weissenberg, Deputy Director General of the European Commission, Marco R. Fuchs, CEO of OHB AG, Martin Günthner, Senator of Economics, Labor and Ports of the Free Hanseatic City of Bremen, Peter Hintze, Parliamentary State Secretary, German federal government's aerospace and aviation coordinator, Prof. Hansjörg Dittus, a member of the Management Board of the German Aerospace Center (DLR), and Didier Faivre, Director of the Galileo* program and navigation at the European Space Agency ESA



May 2012

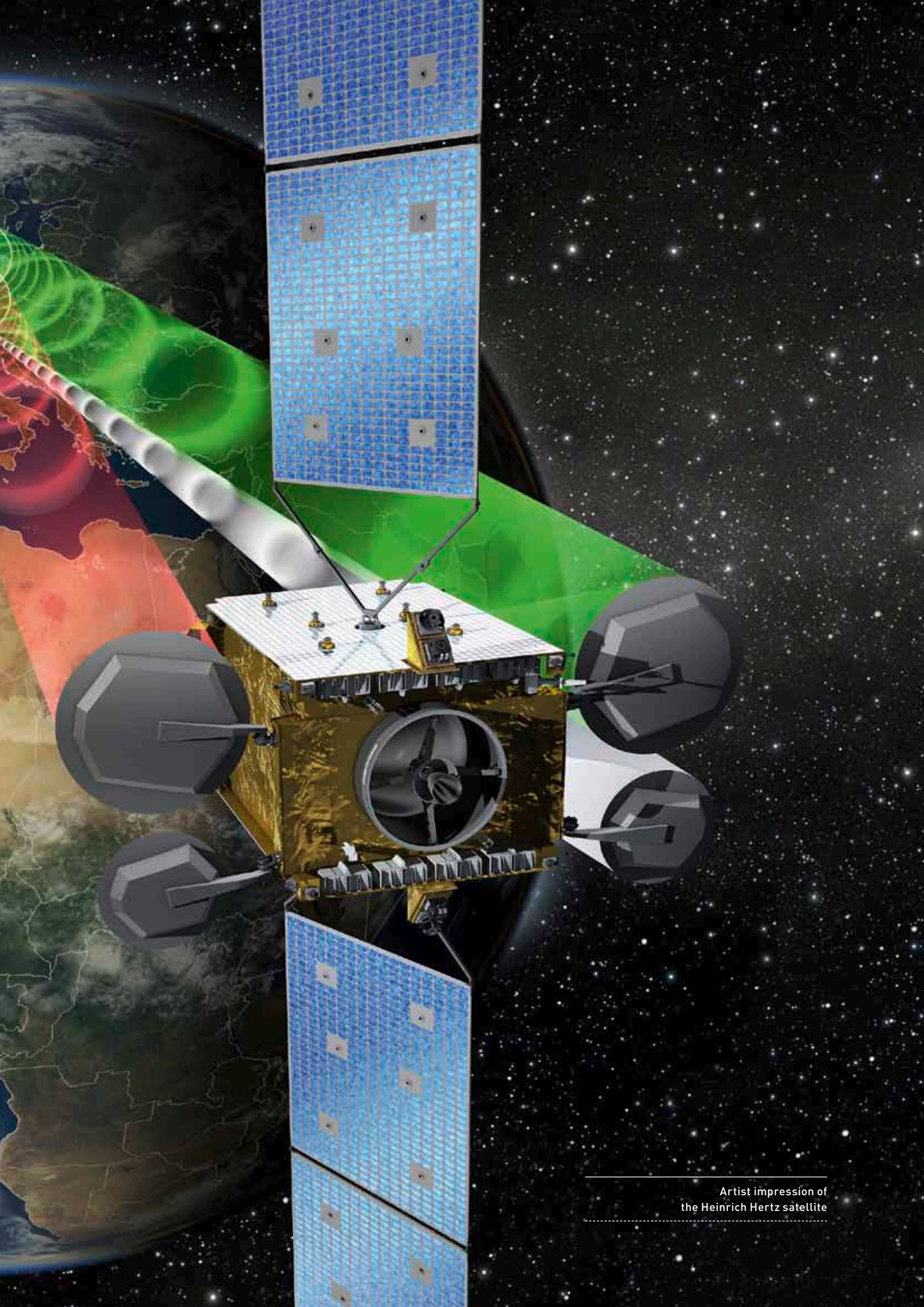
Contract signed by **OHB System and DLR Space Administration** for the definition phase of the “Heinrich Hertz” satellite mission

On May 9, 2012, OHB System AG was awarded a contract by the Space Administration of the German Aerospace Center (DLR) for system management of a national telecommunications satellite known as “Heinrich Hertz” and the development of the necessary satellite. Valued at around EUR 11 million, the contract provides for work to be performed on the predefinition of all mission elements.

The results of this definition phase will be used as a basis for the ensuing construction and testing of the satellites, for which separate contracts will be awarded and which are to go into orbital operation in 2016.

“Heinrich Hertz” will be used to test new types of satellite communications technology under real conditions to safeguard national system competence in geostationary communications satellites. Named in honor of an important German physicist, the satellite is to demonstrate German skills in real conditions with respect to both platforms for geostationary satellites and payloads.





Artist impression of
the Heinrich Hertz satellite

May 2012

OHB System to define the “CarbonSat” environmental satellite mission for ESA

An industrial syndicate lead-managed by OHB System AG commenced work on the definition phase of the “CarbonSat” environmental satellite for the European Space Agency ESA. Over the next 20 months, the Bremen-based company will be conducting studies on the mission as a whole as well as the satellite in its capacity as the prime contractor. The contract has a value of EUR 2.5 million.

The results of the definition phase could culminate in the assembly of the “CarbonSat” environmental satellite if this mission is selected by ESA as the eighth earth explorer mission within its Earth Observation Envelope Program (EOEP). The purpose of the “CarbonSat” mission is to collect reliable global data on emissions and the concentration of the greenhouse gases carbon dioxide and methane in the earth’s atmosphere for evaluation.

June 2012

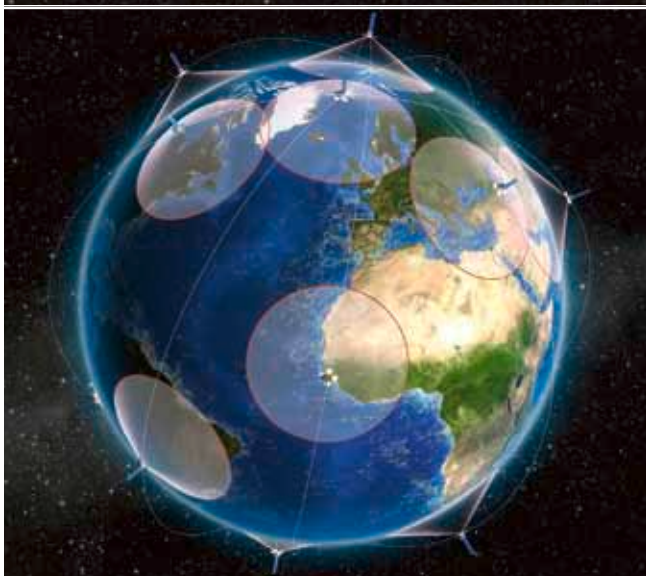
Antwerp Space celebrating its 50th anniversary

Antwerp Space celebrated 50 years of activities in space technology and research on June 19, 2012. Located in Hoboken, Antwerp in Belgium, with around 50 employees.

Antwerp Space has an impressive arsenal of knowledge in high-frequency technology, modem technology and signal-processing, communication networks, software and IT technology. In particular, it has earned a good name for itself in the successful management of international and multi-disciplinary projects – a key condition for obtaining and maintaining a strong position in space activities.

The managing directors of Antwerp Space, Oliver Salisch (left) and Roberto Aceti (right), with Marco R. Fuchs, CEO of OHB AG





June 2012

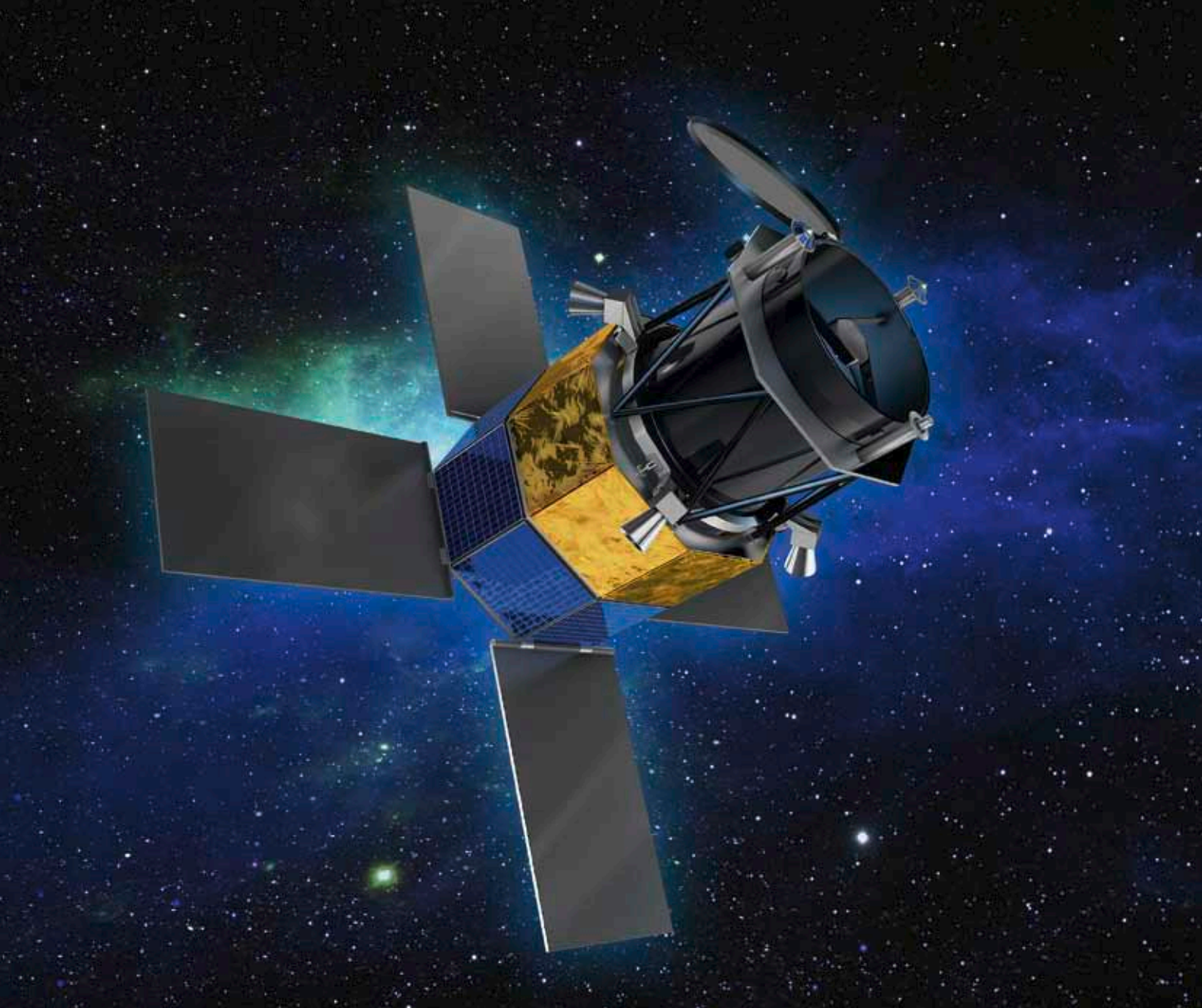
Master contract signed between **LuxSpace** and the European Maritime Safety Agency

LuxSpace signed a multi-year master contract with the European Maritime Safety Agency (EMSA). The framework contract is funded for up to EUR 500,000 (US \$ 625,000) for the first year plus an option for an additional two years with funding levels yet to be determined.

LuxSpace will be providing satellite-based Automatic Identification System (SAT-AIS) data used for ship tracking and other maritime navigational and safety efforts to EMSA for designated regions and specific maritime projects.

The AIS data will be harvested by the VesselSat1 and 2 satellites, both of which are owned by LuxSpace and operated within the ORBCOMM 2nd generation AIS satellite network, consisting of a 18 further satellites, of which the first ones were launched in 2012.

Artist impression of the reception ranges of AIS data with and without satellites



Artist impression of the OPSIS satellite

July 2012

Contract signed by CGS S.p.A for the **OPSIS satellite mission**

CGS and the Italian Space Agency (ASI) in Milan signed a contract for Definition Phases A and B1 for the realization of the OPSIS (OPTical System for Imaging and Surveillance) earth observation satellite. The contract has a value of EUR 13.5 million.

Initiated by ASI, OPSIS is primarily designed to provide an operational system for high-resolution optical earth observation. For this purpose, the necessary technologies are to be developed and qualified in Italy during the A and B1 project phases.

CGS has been selected as prime contractor for this mission and will be leading and coordinating a consortium of small and medium-sized Italian companies. The launch of the satellite (launch mass 800 kg) is scheduled for 2016.

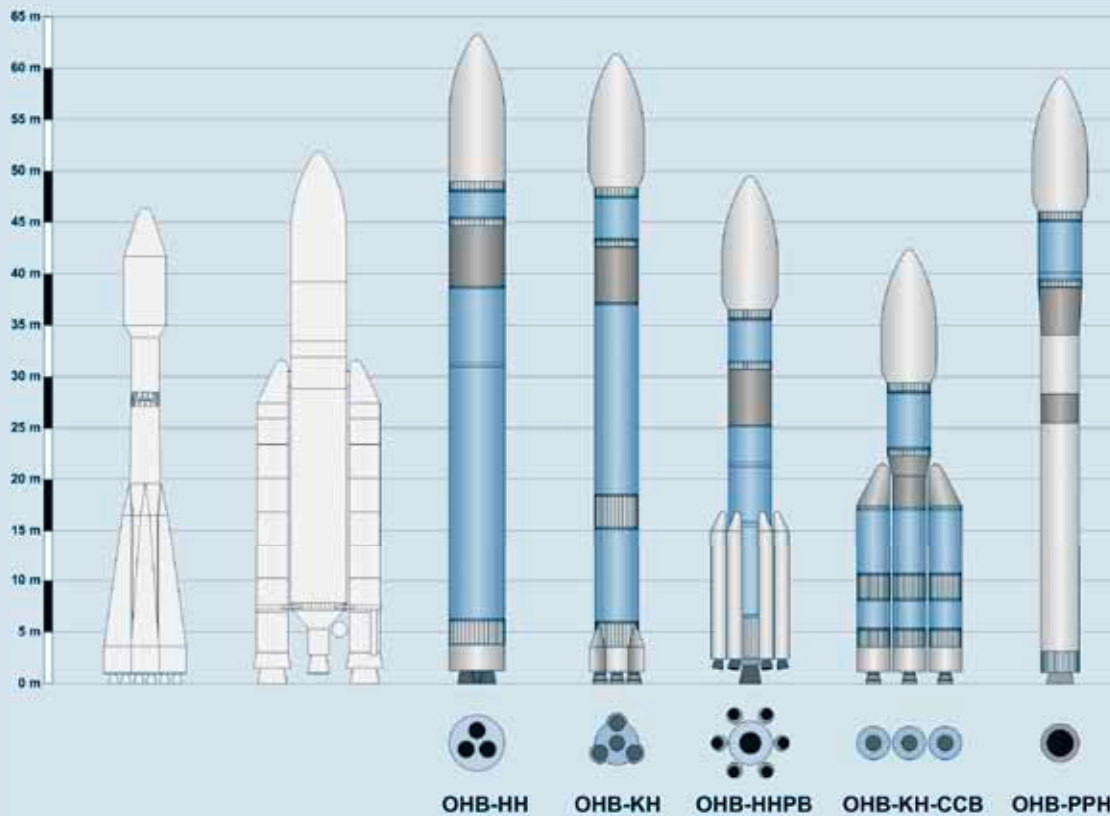
July 2012

NELS study awarded by ESA to OHB

On July 26, 2012, OHB AG and the European Space Agency (ESA) signed a contract to study innovative concepts for future European access to space. The study has a contract value of EUR 2.25 million and a term of twelve months. One of the tasks is to analyze and evaluate a next-generation space transport system for inexpensively transporting payloads in a range of 3–6.5 tons in a geostationary orbit (see picture). The OHB companies involved are MT Aerospace AG, Augsburg (lead), and OHB System AG, Bremen. The purpose of the New European Launch

Service (NELS) study is to submit innovative proposals on how Europe can enhance its current leadership in the satellite launch market. It will be evaluating ways in which ESA member states can secure independent and affordable access to space in the post-Ariane 5 era against the backdrop of mounting global competition.

Launcher concepts



Abbreviations:

- H: propulsion with liquid hydrogen and liquid oxygen
- P: solid propellant (powder)
- K: propulsion with kerosene and liquid hydrogen

Configuration references:

- OHB-HH: Lower and upper stage with liquid hydrogen and liquid oxygen
- OHB-KH: Lower stage with kerosene and liquid oxygen, upper stage with liquid hydrogen and liquid oxygen
- OHB-HHPB: HH with additional solid boosters
- OHB-KH-CCB: KH concept in a "Common Core" configuration, i.e. with several propulsion units of the same design
- OHB-PPH: First and second stage with solid propellant, upper stage with liquid hydrogen + liquid oxygen

July 2012

Kayser-Threde satellite successfully launched

The TET-1 satellite entered space as scheduled on July 22 on board a Soyuz/Fregat launch vehicle, which lifted off from the Russian Baikonur space center, placing the satellite in its target orbit at an altitude of 520 kilometers. After preliminary contact had been established with the satellite, it went into operation. The technology testing vehicle TET-1 will be testing the flight samples which it is carrying on board over a period of one year.

Kayser-Threde had been selected by the Space Administration of the German Aerospace Center (DLR) as prime contractor and systems leader for the realization of TET-1 and was also responsible for the satellite launch.

The TET-1 technology testing vehicle is the core element of DLR's on-orbit verification (OOV) program and is being used for verification in space of products that have already been tested on the ground.



Top: launch of a Soyuz carrying TET-1 on board; bottom: TET-1 being integrated at Kayser-Threde's clean-room facilities



July 2012

Antwerp Space awarded contract for the development of an electro-photonic frequency converter as part of ARTES 5.1

Antwerp Space signed a contract under ARTES 5.1 for the funding of the design and prototype development of an electro-photonic frequency converter. ARTES 5.1 is an ESA program in which the agency initiates and funds various technologies for the space telecommunications market. The contract covers the development of an electro-photonic frequency converter by Antwerp Space and imec for completion by 2014.

August 2012

Dr. Clemens Kaiser joining the management of Kayser-Threde GmbH

Dr. Clemens Kaiser (46) was appointed to the management of Kayser-Threde GmbH effective August 1, 2012. In this position, he joined Jürgen Breitkopf and Ralf Paschetag and is responsible for project business. In this way, the company is responding to the sharp growth in its project business with such major projects as MTG (Meteosat Third Generation) and EnMAP (national earth observation mission).



September 2012

New LuxSpace offices **officially opened** in the presence of the Luxembourg research minister Biltgen

The new SES Business Center (SBC) in Betzdorf, Luxembourg, which is the new and more spacious home of LuxSpace as well as SES subsidiary SES TechCom, was officially opened in the presence of Luxembourg research minister François Biltgen and the Fuchs family on September 26. LuxSpace currently has around 50 employees and is the Luxembourg-based integrator for small satellites up to a weight of 100 kilograms. It was able to achieve preliminary major successes with the launch of VeselSat1 and 2 and wants to step up construction of small satellites. LuxSpace is additionally very active in the area of Small-Geo geostationary satellites and is working as an OHB System subcontractor on various missions. In addition, it offers global ship observation services and has recently been awarded an important contract by the European Maritime Safety Agency (EMSA).



Top: the new SES Business Center; from left to right: François Biltgen, Minister of Universities and Research, Luxembourg, Christa and Marco R. Fuchs, Pierre Decker, State Secretary at the Ministry of Universities and Research, and Romain Bausch, President and CEO, of SES S.A.



Top: the OHB Group's stand at ILA 2012; bottom: Parliamentary State Secretary Peter Hintze and the Fuchs family; Dr. Fritz Merkle, Frank Negretti and Vice Admiral Joachim Rühle; Marco Fuchs and Senator Martin Günthner

September 2012

OHB Group at the 2012 Berlin Air Show

In keeping with tradition, the OHB Group had a stand at the ILA Berlin Air Show, which was held on September 11-16 at a new venue adjacent to BER, the future Berlin-Brandenburg airport. At the joint stand, all the main OHB companies presented their products and technologies to trade audiences and, during the public days, to the general public.

The OHB stand formed part of "Space World", an internationally unique pooling of space companies and institutions at an aviation and space show. Accompanied by the "Space Pavilion", an exhibition jointly organized by ESA, DLR and the German Aero-

space Industries Association (Bundesverband der Deutschen Luft- und Raumfahrtindustrie e.V. – BDLI), this year's ILA again offered an ideal forum for conferences and discussions devoted to the current main issues in the space industry. Ahead of the ESA Council Meeting at Ministerial Level, which took place at the end of November 2012 in Naples, the ILA served as a podium for discussion on future space projects with the participation of high-ranking representatives from politics, research and industry.

October 2012

German TET-1 small satellite entering regular operation



View of the DLR TET-1 control room

Launched at the end of July, the TET-1 small satellite successfully completed the orbital ramp-up phase. This was confirmed by the five-strong review board, which consequently cleared the national satellite for full operation. The purpose of the TET-1 technology testing vehicle is to verify technologies which have already proven themselves on the ground under the more difficult conditions in space. TET-1 is the core element of the on-orbit verification (OOV) system of the German Aerospace Center, which has retained Kayser-Threde as prime contractor and systems lead for the TET-1 small satellite mission and for the satellite launch.

October 2012

Raymond Pieck new managing director of Antwerp Space



Raymond Pieck was appointed new managing director of Antwerp Space N.V. on October 1, 2012. In this position, he reports to the Board of Directors of Antwerp Space and is responsible for the company's day-to-day business. Raymond Pieck has been working in the satellite communications industry for

over twenty years, among other things as a systems engineer, head of product management and CEO.

November 2012

Long-term agreement on satellite testing signed by OHB System and IABG

OHB System AG signed a long-term contract with Industrieanlagen-Betriebsgesellschaft mbH (IABG) in Ottobrunn for environmental testing of satellites. The agreement primarily covers OHB telecommunications satellite projects. The "Hispasat Advanced Generation 1" will be the first telecommunications satellite to undergo testing under this new agreement. Based on the SmallGEO geostationary satellite platform developed by OHB for ESA, the satellite is currently being built by OHB System in Bremen for the Spanish satellite operator Hispasat.



SAR-Lupe satellite during environmental impact testing at IABG in Ottobrunn

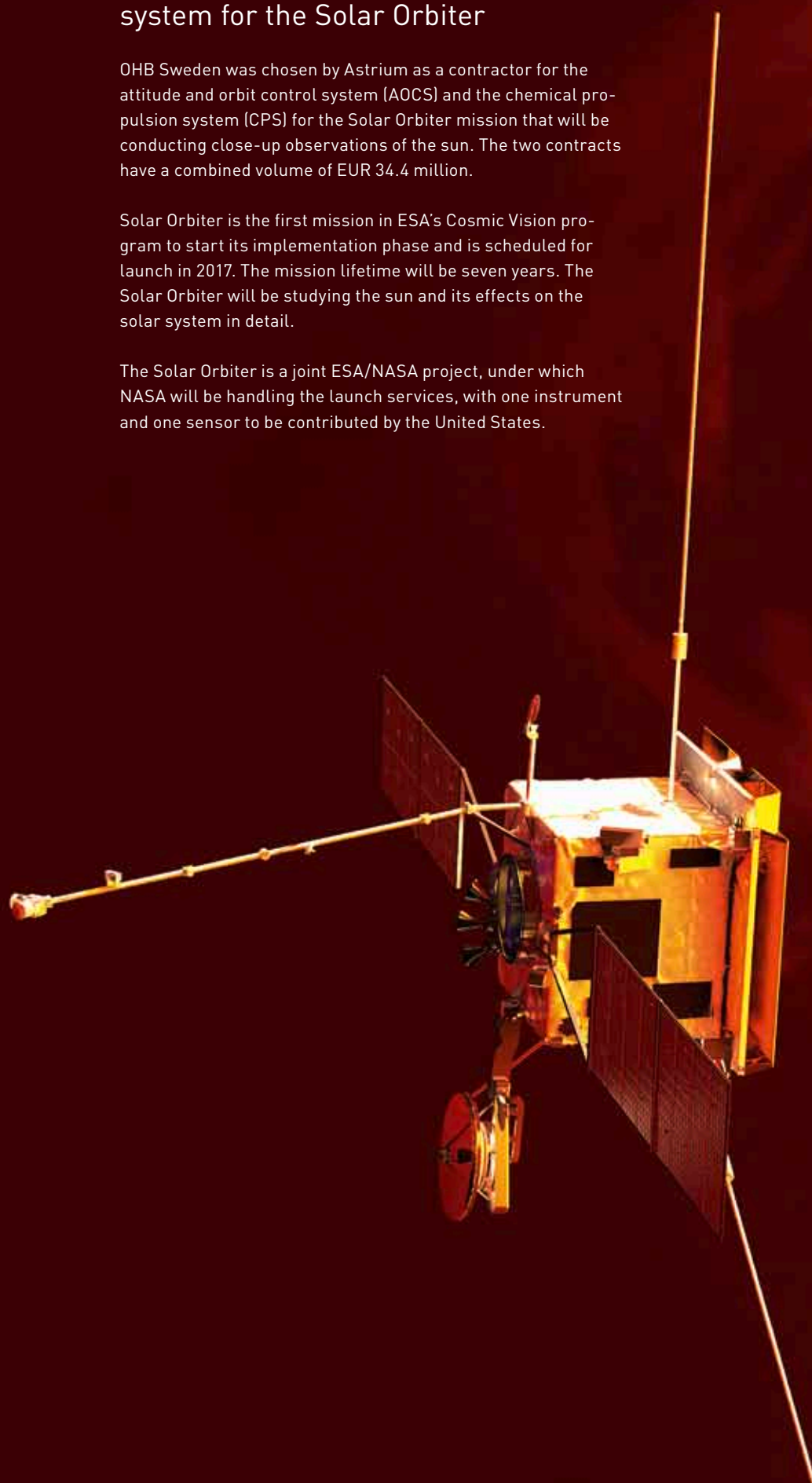
November 2012

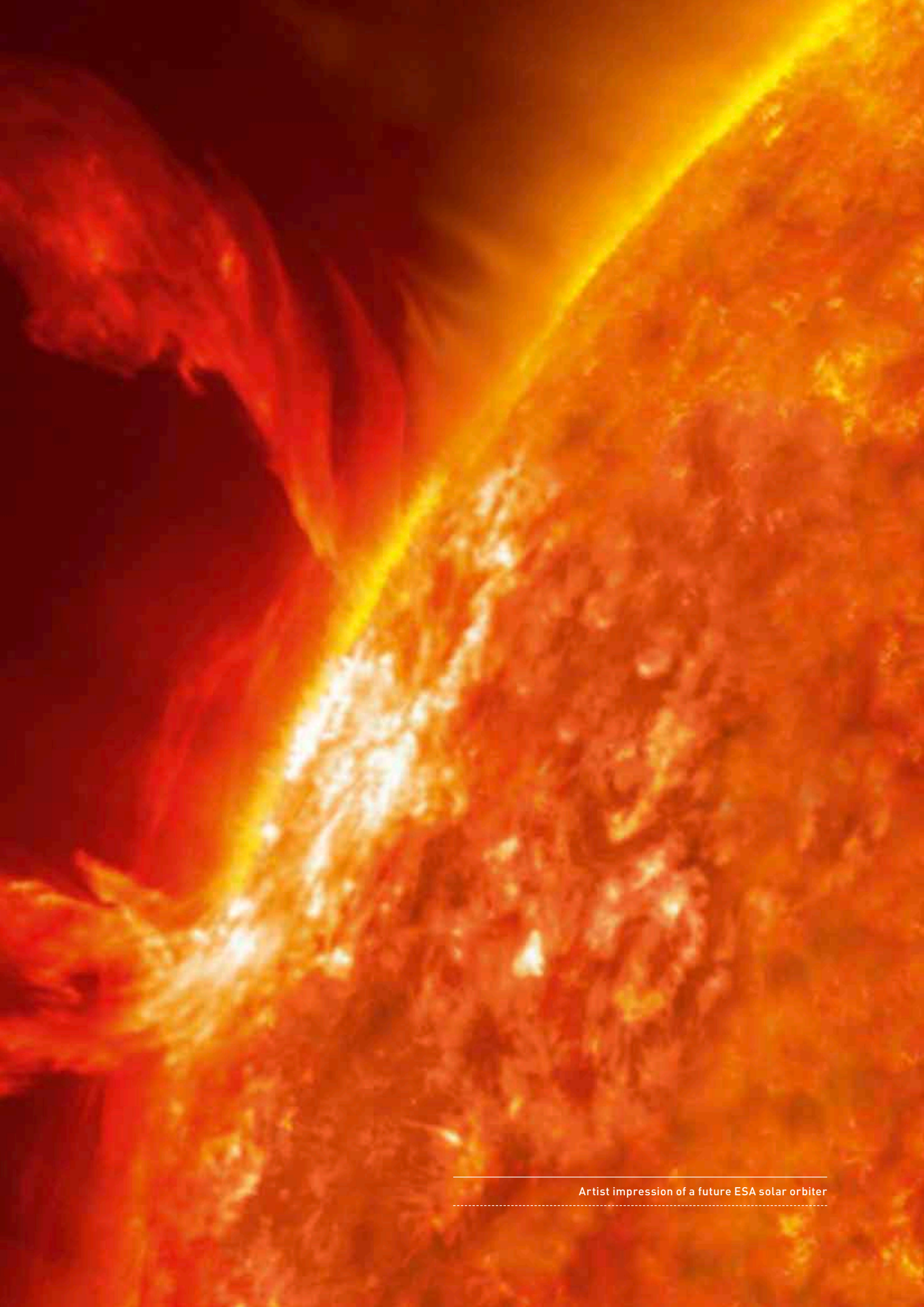
OHB Sweden awarded contracts for AOCs and the chemical propulsion system for the Solar Orbiter

OHB Sweden was chosen by Astrium as a contractor for the attitude and orbit control system (AOCs) and the chemical propulsion system (CPS) for the Solar Orbiter mission that will be conducting close-up observations of the sun. The two contracts have a combined volume of EUR 34.4 million.

Solar Orbiter is the first mission in ESA's Cosmic Vision program to start its implementation phase and is scheduled for launch in 2017. The mission lifetime will be seven years. The Solar Orbiter will be studying the sun and its effects on the solar system in detail.

The Solar Orbiter is a joint ESA/NASA project, under which NASA will be handling the launch services, with one instrument and one sensor to be contributed by the United States.





Artist impression of a future ESA solar orbiter

November 2012

Robert Wethmar new member of OHB AG's Supervisory Board



In response to an application submitted by OHB AG's Management Board, the Local Court of Bremen appointed Mr. Robert Wethmar to the Company's Supervisory Board. This closed the gap which Prof. Rath's sudden death had created on the Supervisory Board. Prof. Rath had passed away in September after a brief, serious illness.

Robert Wethmar has been a lawyer in Hamburg since 1992 and was admitted as an attorney at law in New York in 1993. Robert Wethmar has been with the international law firm Taylor Wessing since 1994 and a partner since 1997.

November 2012

ESA Council Meeting at Ministerial Level: positive decisions

The ESA Council Meeting at Ministerial Level was concluded on November 21 with important and mostly favorable decisions for the future of European space flight – including for the companies of the OHB Group. Particular mention should be made of the positive decisions both with respect to the realization of Ariane 5 ME and the development of Ariane 6; this is of crucial importance for MT Aerospace's business in particular. A further important decision concerned the ARTES 33 program, which provides for the development of a telecommunications satellite based on the SmallGEO platform with solely an electronic drive. OHB System, OHB Sweden and LuxSpace will be materially involved in this program, which is known as "Electra".

 ESA Council Meeting at Ministerial Level



December 2012

Manfred Fuchs recipient of the Werner von Siemens Ring

Prof. Dott. Ing. h.c. Manfred Fuchs was awarded the Werner von Siemens Ring in recognition of his lifetime achievements in a ceremony held on December 13, 2012. He had been selected as a recipient of the Ring "in recognition of his services in the continued development of application satellite technology with which Germany is at the very vanguard of this area in Europe," according to the jury. The other recipient of the award was Prof. Dr. Hermann Scholl from Robert Bosch GmbH in recognition of his work on developing ABS and ESP for automobiles.

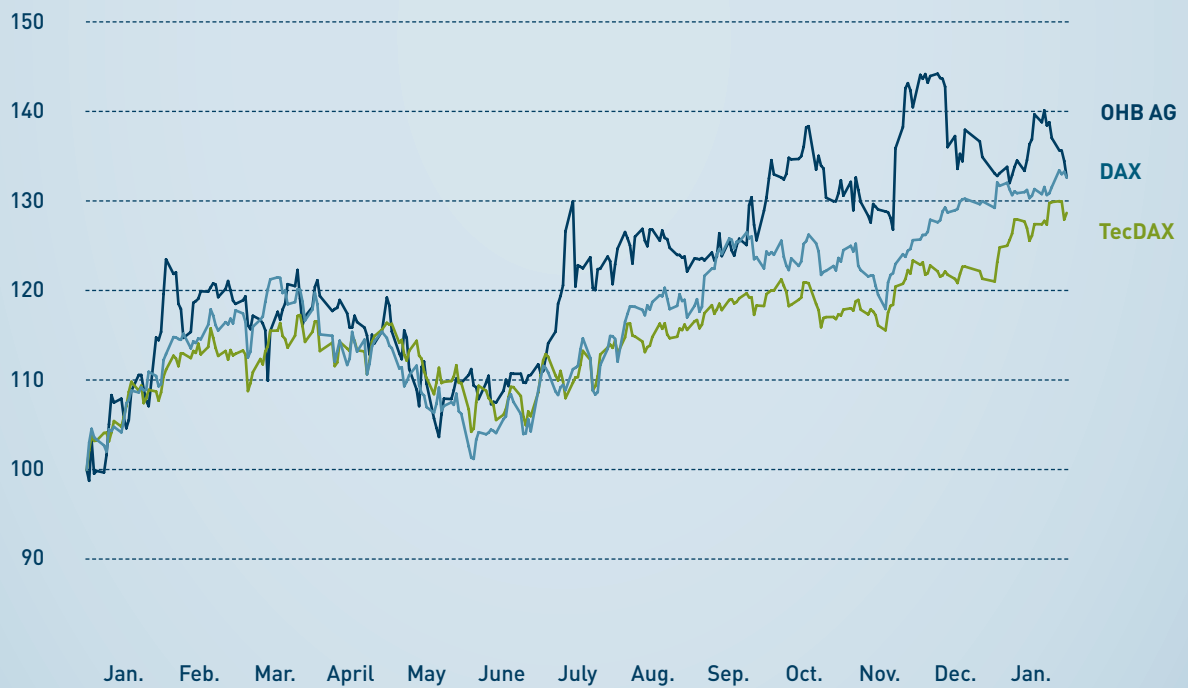
The Werner von Siemens Ring is considered to be one of the most prestigious German awards for technology and engineering. The foundation of the same name awards the Ring every three years in recognition of contributions to the technical sciences. Previous recipients include Konrad Zuse, the inventor of the computer, Carl von Linde, the inventor of air liquefaction, and space flight pioneer Wernher von Braun.

From left to right: Prof. Dott. Ing. h.c. Manfred Fuchs, OHB, Prof. Dr. Joachim Hermann Ullrich, President of the Federal Technical and Physical Service Agency, and Prof. Dr. Hermann Scholl, Bosch



OHB STOCK

OHB shares finalise 2012 with an increase exceeding 32%



Dax with gains of 30% in 2012

The trading year was dominated by German bluechips and M-DAX mid and smallcaps in 2012, with German stocks proving to be a very sought-after asset class not least of all due to the historically low interest rates, which rendered sovereign and corporate bonds less attractive as an alternative form of investment. Despite the absence of any clear trend over the year as a whole, the German bluechip DAX index advanced by almost 30%. Against the backdrop of the uncertainty prevailing in the financial markets concerning the future of the euro zone together with a negative newsflow, the DAX entered the year on a very strong note, advancing by 20% by mid-February. However, at the beginning of the second half of the year, the DAX had almost completely ceded the gains which it had achieved in the year to date. Still, despite the unsolved problems in connection with the European debt crisis, it made further headway in the second half of the year due to the outcome of the elections in Greece. The US S&P 500 reached a 4-year high in August. In September, the European Central Bank announced that it would be buying an unlimited volume of sovereign bonds issued by certain crisis-afflicted countries. In November, the fiscal cliff threatening to arise in January 2013 in the United States came to the foreground, exerting pressure on equities markets, which, however, then proceeded to recover at the end of the month.

OHB stock buoyed by stable overall market and specific company performance

OHB stock largely tracked the market as a whole last year but managed to slightly outperform the DAX at the end of 2012 with gains of more than 30%. Among other things, the stock was buoyed by the positive outcome for OHB AG of the resolutions passed at the ESA Conference of Ministers at the end of November. Reports on specific projects such as the signing of contracts for two major projects also spurred the stock.

Stock buyback program

In accordance with the authorization granted at the annual general meeting on May 19, 2010, the Management Board decided on September 13, 2011 to execute a stock buyback program. For this purpose, up to 250,000 shares are to be purchased via the stock market via an independent bank, which has been retained to complete the program. In accordance with the authorization granted at the annual general meeting, the stock bought back may be used for several different purposes, e.g. to place the Company's shares in foreign stock markets, to pay for the acquisition of other companies, parts of companies or shares in such companies and to issue shares to the Company's employees.

OHB stock data

ISIN	DE0005936124
Ticker	OHB
Trading segment	Prime Standard
Sector	Technology
Subsector	Communications Technology
Indices	Prime All Share, Tec All Share, CDAX
Designated Sponsor	DZ BANK AG, HSBC Trinkaus & Burkhardt KGaA
Issued capital	EUR 17,468,096
Share type	No-par-value ordinary bearer shares

Treasury stock

As of December 31, 2012, OHB AG's treasury stock comprised a total of 80,496 shares, equivalent to 0.46% of its issued capital, i.e. unchanged in number since December 31, 2011.

Investor relations activities

In keeping with tradition, the Capital Market Day held at the beginning of February 2012 marked the beginning of the investor relations year. In various lectures and presentations, analysts, journalists and other representatives of the financial markets were briefed once more on the current status of the OHB Group's various projects and the performance of its latest acquisitions. It took place again at the Group's headquarters in Bremen in the current year, with participants receiving information on February 14, 2013 on the status of projects being conducted by selected subsidiaries.

During the year, the Company attended various capital market conferences in Germany. In addition, it again participated in Deutsches Eigenkapitalforum in Frankfurt am Main in mid November 2012, making use of this opportunity for many one-on-one meetings with investors and analysts. By taking part in roadshows in London, Zurich and Luxembourg, OHB AG was able to present itself to international investors and analysts and maintain existing contacts.

The publication of the quarterly interim reports was accompanied by regular telephone conferences held by the Management Board and the investor relations team with analysts and investors.

Resolution passed at the annual general meeting approving higher dividend

At the annual general meeting held on May 16, 2012, the shareholders passed a resolution to authorize the distribution of EUR 0.35 per dividend-entitled share for 2011, equivalent to an increase of EUR 0.05 over the previous year. Accordingly, the total distribution amount on the 17,387,600 dividend-entitled shares came to EUR 6.1 million, up from EUR 5.2 million in the previous year. The remaining unappropriated surplus of EUR 10.1 million as shown in the financial accounts prepared in accordance with German GAAP (HGB) was carried forward.

In addition to the ratification of the actions of the Management Board and Supervisory Board, further resolutions were passed to elect the statutory auditor of the annual and consolidated financial statements and to amend the articles of incorporation with respect to Supervisory Board remuneration.

Analyst ratings

Date	Bank	Target price in EUR	Rating
February 2013	HSBC Trinkaus & Burkhardt	19.50	Overweight
February 2013	WGZ Bank	19.50	Buy
February 2013	Bankhaus Lampe	20.00	Buy
February 2013	Commerzbank	20.00	Buy
February 2013	DZ BANK	20.00	Buy

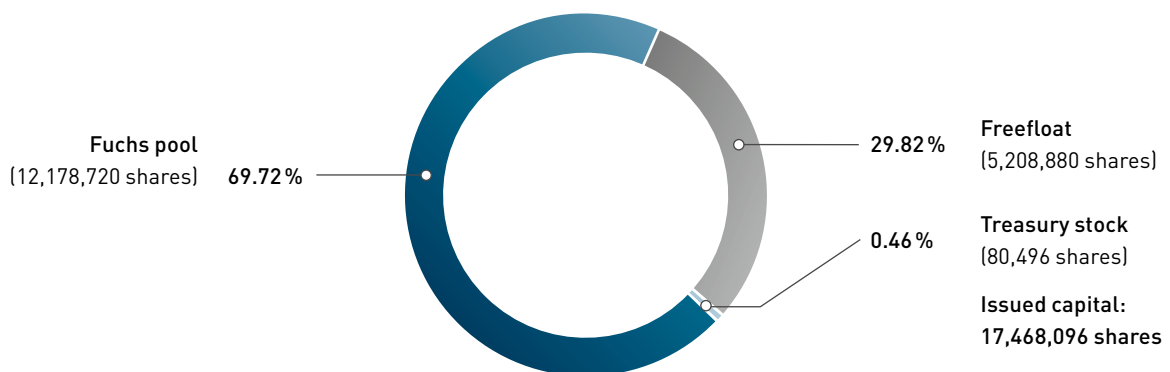
These amendments to the articles of incorporation govern the compensation payable to the deputy chairman of the Supervisory Board. in accordance with the recommendations of the German Corporate Governance Code.

OHB stock parameters in EUR (Xetra)

	2012	2011	2010	2009
End-of-year price	15.15	11.40	16.60	11.20
High for the year	16.50	17.45	18.34	11.35
Low for the year	11.16	8.25	11.50	5.85
Market capitalization (end of year)	265 millions	199 millions	290 millions	196 millions
Average daily trading volumes (Xetra + floor)	11,580 shares	20,346 shares	47,546 shares	15,220 shares
Price/earnings ratio (P/E) (final trading day of the year)	17.82	14.62	30.18	11.66
Earnings per share (EPS)	0.85	0.78	0.55	0.96
Dividend per share	0.37*	0.35	0.30	0.25
Dividend yield (end of year)	2.44 %	3.07 %	1.81 %	2.23 %

* Subject to approval by the shareholders

OHB AG shareholder structure on December 31, 2012

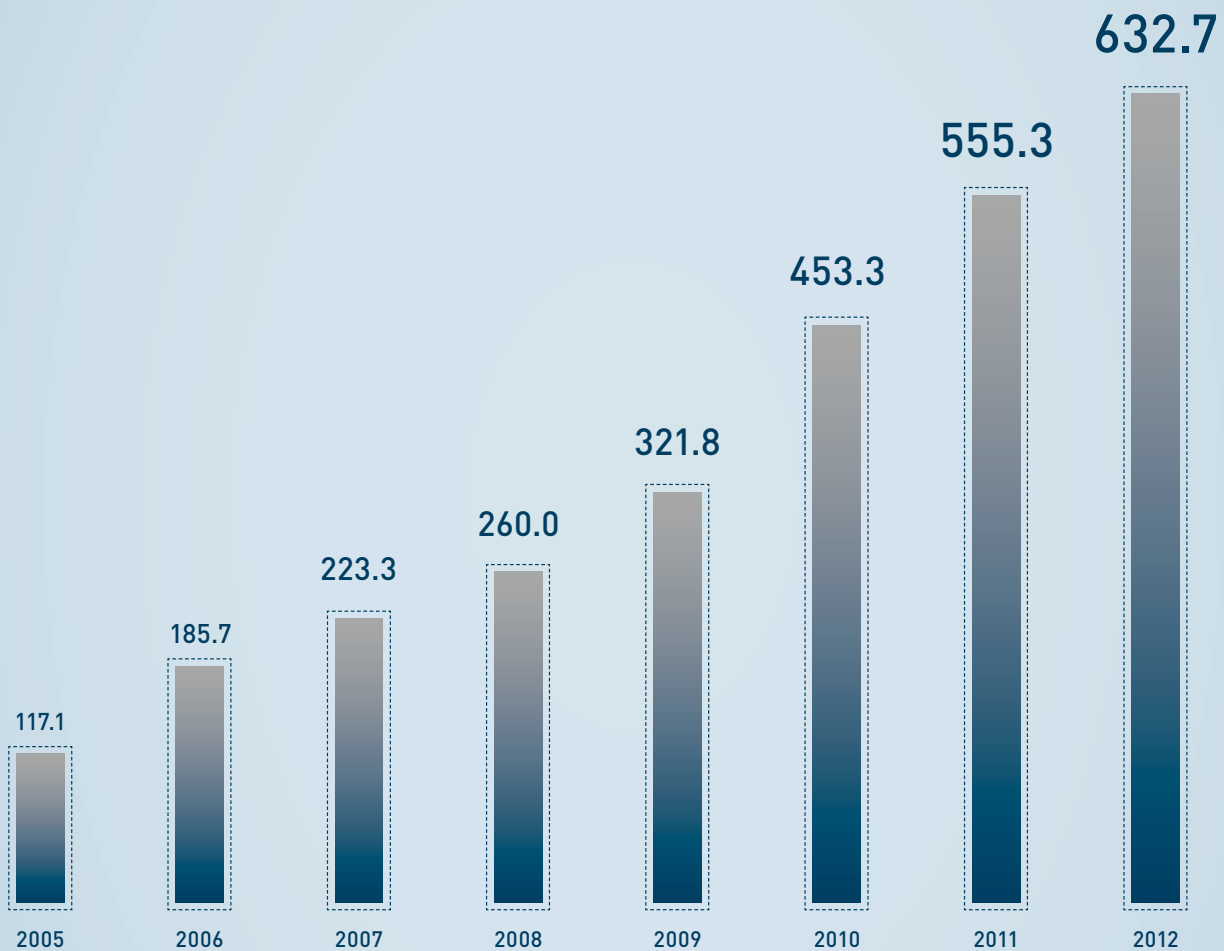




Impressions of the 9th Capital Market Day on February 14, 2013 in Bremen.

GROUP MANAGEMENT REPORT

Management report for the year from
January 1, 2012 until December 31, 2012



Consolidated total revenues over eight years in EUR millions

47	Business performance and underlying conditions	59	Significant events occurring after the end of the period under review
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I. BUSINESS PERFORMANCE AND UNDERLYING CONDITIONS

1. Highlights

14% increase in total revenues to EUR 633 million

The OHB Group's total revenues rose by EUR 77 million to EUR 633 million in the year under review.

57% increase in order backlog to EUR 1,640 million as of December 31, 2012

The higher order backlog achieved in earlier years rose again substantially to a total of EUR 1,640 million (previous year: EUR 1,046 million) due to further contracts signed for large-scale projects. This ensures a very reliable basis for future planning and high capacity utilization across all business units.

New record in EBIT again

EBITDA rose to a total of EUR 46.1 million (previous year: EUR 43.1 million), with operating earnings (EBIT) also climbing sharply to EUR 31.0 million in the year under review (previous year: EUR 27.3 million). Consolidated net profit for the year after non-controlling interests came to EUR 14.8 million (previous year: EUR 13.5 million), while earnings per share for the year under review equal EUR 0.85 (diluted and basic), up from EUR 0.78 in the previous year.

2. Underlying economic conditions

Last year, German gross domestic product (GDP) expanded by 0.7% and, hence, at a slower rate than in earlier years (3% in 2011, 4.2% in 2010). Exports contribute around half of GDP, with around one quarter of German jobs dependent on the export sector. Since 2009, non-EU exports have widened from 38% to 43%. The number of domestic employees rose by 1% over the previous year, reaching a new high for the sixth consecutive year. In 2012, 41.5 million people living in Germany were gainfully employed.

The number of self-employed persons rose by a marginal 6,000 to 4.55 million. This positive trend in the labor market was accompanied by a declining inflation rate, which receded from 2.3% in the previous year to 2.0% in 2012 in Germany.

3. Underlying conditions in the sector

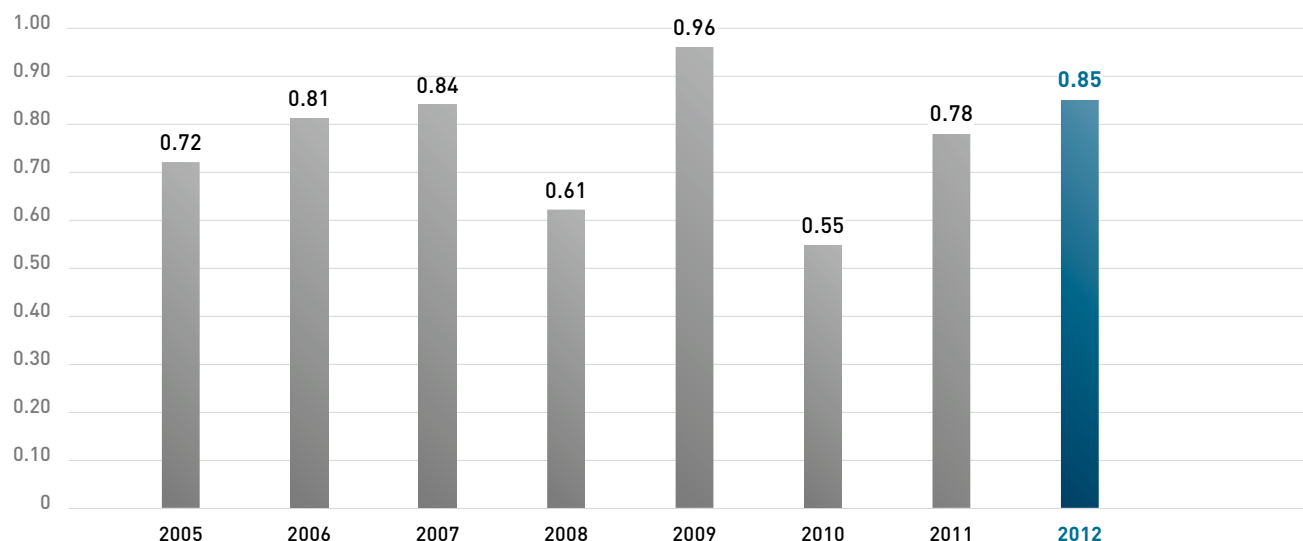
a) Space flight

International conditions for space flight were generally favorable, albeit to differing degrees from region to region around the world and in Europe. Given the long-term nature of the programs and projects, macroeconomic conditions in individual countries have only an indirect effect on current projects.

Whereas in Europe the programs initiated by the European Space Agency (ESA) and the European Union (EU) ensure stable performance thanks to their long-term planning horizons, over the last few years the US government has made drastic cuts in

Earnings per share

Over eight years in EUR



some cases to the budgets of NASA and other agencies which are potential customers for space projects. After two decades of uncertainty as to the future direction, space activities in the Russian Federation have received a new perspective accompanied by radical consolidation and renewal in the Russian space industry. The Russian government has announced far-reaching measures and substantial increases in budgets. China, India, South Korea, Turkey and Brazil are still pursuing their ambitions of establishing their own national space flight competence and infrastructure. One of the particular highlights of the space flight year in 2012 was the landing of the US Mars mission "Curiosity" and the maiden flight of the first commercially operated space capsule "Dragon" by US company SpaceX. In Europe, the first launch of the new Vega vehicle from the European Kourou space center carrying the first two Galileo* satellites for the in-orbit verification (IOV) program and the launch of the third ATV "Eduardo Amalidi" on board an Ariane-5 to supply the International Space Station ISS and to correct its orbit were of particular importance. The European space industry eagerly awaited the resolutions of the ESA Conference of Ministers in Naples on November 20 and 21, 2012 and the finalization of the EU budget for 2014 through 2020. Both events will have a key bearing on the future of European space flight and were preceded by numerous consultations between industry, organizations and government agencies nationally, bilaterally and on a European level. OHB was also closely involved.

The decisions that have been made provide a very good basis for the development of European space flight over the next few years and offer enormous potential for OHB, although they will also necessitate adjustments in the medium and long term. As a group based in Germany, OHB is particularly cognizant of the fact that Germany has additionally increased its financial commitments and is now the largest contributor to the ESA budget, whereas numerous other countries have left their budgets unchanged or even curtailed them in some cases.

The total volume approved at the ESA Conference of Ministers is valued at a good EUR 10 billion. The positive decisions in favor of both the Ariane 5 ME and the Ariane 6 as well as the new "Electra" project, a fully electrically operated satellite based on the SmallGEO platform, are particularly noteworthy.

With a proposed budget of EUR 6.3 billion for the Galileo* satellite navigation system and EUR 3.8 billion for the earth observation program Kopernikus (previously known as GMES), the EU space flight activities have entered the next approval phase. In Germany, the national space technology budget and the national contributions to the ESA programs were increased slightly as planned in 2012. In December 2010, the German federal government, represented by the German Federal Ministry of Economics, published the main elements of the national space technology strategy. The German Federal Ministry of

Defense outlined the possible specifications for a follow-up system to SAR-Lupe in 2012, with the contract scheduled for award in 2013.

Despite the difficult economic conditions in Italy, the second most important market for the OHB Group after Germany, space activities in that country continue to enjoy high priority as, among other things, research activities contribute to high-quality employment precisely in challenging economic times. Furthermore, space is perceived as one of the high technology industrial sectors in which the Italian industry has a good standing in Europe. Demand for launch services remains steady. The enduring technical success of the Ariane-5 program with a total of 43 consecutive successful launches will hopefully result in a reliable launch cadence at Arianespace again in 2013.

b) Aviation

The aviation market continued to grow in 2012, with a further increase in passenger flights and capacity utilization in both passenger traffic and cargo. Thus, for example, average monthly RPK (revenue per passenger and kilometer) rose by around 17% in 2012 compared with 2007. In 2012 alone, the market expanded by 5.3% over the previous year. The European aircraft producer Airbus delivered 588 aircraft to 89 customers (including 17 new ones) in 2012, achieving a new company record (2011: 534 deliveries). Its US competitor Boeing also reported similar successes, with deliveries rising by some 26% to 601 aircraft in 2012. Airbus received 914 new orders in 2012 and, with 4,682 aircraft worth US-\$ 638 billion on its books, achieved a record order backlog. Boeing registered 1,203 new orders in 2012 and now has 4,373 aircraft on its books. These growth rates together with the largely favorable outlook for the aviation market will continue to spur business in the aircraft components industry.

4. Organizational and legal structure of the Group

As a space flight and technology group, OHB AG combines activities from different areas of high technology. In addition to space flight activities, aircraft components business forms a key element of its activities. The individual companies are able to retain their individuality and corporate culture within the Group, while still being bound by the decisions made by the parent company. OHB AG itself does not engage in any operating business but supports the subsidiaries in their sales and marketing activities and thus assumes the role of an active holding company.

* see Glossary

OHB AG comprises two business units:

“Space Systems”

This business unit focuses on developing and executing space projects. In particular, it is responsible for developing and fabricating low-orbiting and geostationary small satellites for navigation, research, communications, earth and weather observation and reconnaissance including scientific payloads. Its manned space flight activities chiefly entail projects for the assembly and fitting of the International Space Station ISS.

The exploration segment works on studies and models for exploring our solar system, primarily the moon, asteroids and Mars. Reconnaissance satellites and broadband wireless transmission of image data form core technologies for security and reconnaissance.

“Aerospace + Industrial Products”

This segment is primarily responsible for fabricating aviation and space products as well as performing other industrial activities. In this area, OHB has established itself as a significant supplier of aerospace structures for the aviation and space industry; among other things, it is the largest German supplier of components for the Ariane-5 program and an established producer of critical components for aircraft engines. In addition, OHB is an experienced vendor of mechatronic systems for antennas and telescopes and is involved in several major radio telescope projects. OHB telematics systems serve the logistics industry around the world by offering efficient transport management and consignment tracking facilities.

II. BUSINESS PERFORMANCE

The OHB Group's very favorable performance in terms of sales, total revenues, EBITDA and EBIT continued again in 2012. Thus, total revenues rose by 14% over the previous year from around EUR 555 million to some EUR 633 million in the year under review. This was accompanied by a 11% increase in sales to around EUR 616 million, up from EUR 556 million the previous year.

There are numerous reasons for our successful performance and the superb position which the Group has achieved in the space industry. For one thing, the underlying conditions are currently favorable. Space is a key technological industry, which is receiving political support in Europe, where OHB has facilities in Germany, Italy, Sweden, Belgium and Luxembourg. A further factor is that space technology is now more closely aligned to user benefits and plays a crucial role in our day-to-day activities. This change also forms the basis for commercial space flight, which requires cost-efficient satellites for communications, navigation and earth observation.

1. “Space Systems” business unit

Business in the “Space Systems” business unit is chiefly characterized by long-term projects which are generally awarded by public-sector customers. The very high order backlog of EUR 1,366 million (December 31, 2012) and the broad potential for generating new project business ensure high forward planning visibility over protracted periods of time in tandem with steady growth.

a) Earth observation and reconnaissance

Developed and built by OHB System, the SAR-Lupe system with its five radar satellites, ground segments and the combined German-French reconnaissance satellite system made up of SAR-Lupe (radar images) and Helios 2 (optical images) is still operating very stably and to the full satisfaction of the customer (German Federal Office of Equipment, Information Technology and Use by the Armed Forces (BAAINBw - formerly BWB)) and the German armed forces. In this way, the German armed forces will continue to have a highly modern and capable radar satellite reconnaissance system until the implementation of the follow-up system SARah, which is scheduled for 2018/2019. OHB System has developed an enhanced concept for the SAR-Lupe successor SARah with substantially improved performance. It submitted a proposal in November 2012 in response to the invitation received in summer 2012. The proposal is currently under evaluation, with the contract expected to be awarded in the second or third quarter of 2013.

The national optical earth observation program EnMAP (Environmental Mapping and Analysis Program) remains in a critical phase. In conjunction with the customer it was necessary to address basic physical/technical issues, resulting in a further delay in the program. With its new type of hyperspectral sensors, the EnMAP environmental satellite is primarily designed to characterize and monitor the condition of the earth. It is an innovative system which it will be possible to use for many new applications.

On April 26, 2012, a contract was signed by OHB System and Thales Alenia Space for the development and construction of the third-generation European weather satellite MTG (Meteosat Third Generation). The OHB Group was able to secure key parts of this European infrastructure project awarded by ESA and EUMETSAT worth over EUR 750 million out of a total of some EUR 1.26 billion. The OHB package provides for the delivery of six satellite platforms, two payloads to be supplied by Kayser-Threde with infrared sounders and the integration of these payloads with two of the platforms to fabricate fully enclosed satellite systems. The four other platforms will be delivered to Thales Alenia Space in France, where they will form the basis of the imager satellites. Kayser-Threde will also be delivering the telescopes for the four imager satellites. An industrial syndicate lead-managed by OHB System commenced work on the

definition phase of the "CarbonSat" environmental satellite for the European Space Agency ESA. In a study lasting 20 months, OHB System in its capacity as the prime contractor will be conducting investigations into the mission as a whole as well as the satellite. The contract has a value of EUR 2.5 million. "Carbon-Sat" is a candidate for the eighth earth explorer mission within the ESA Earth Observation Envelope Program (EOEP). The purpose of the "CarbonSat" mission is to collect reliable global data on emissions and the concentration of the greenhouse gases carbon dioxide and methane in the earth's atmosphere for evaluation. Developed and assembled by Kayser-Threde for the German Aerospace Center (DLR), the TET-1 technology testing satellite was launched on schedule from the Russian space center in Baikonur on board a Soyuz/Fregat vehicle on July 22, 2012. The orbital ramp-up phase was successfully completed. The TET-1 technology testing vehicle is the core element of DLR's on-orbit verification (OOV) program and is being used for the verification in space of products which have already been tested on the ground.

CGS and the Italian Space Agency (ASI) in Milan signed a contract for Definition Phases A and B1 for the realization of the OPSIS (Optical System for Imaging and Surveillance) earth observation satellite. The contract is valued at EUR 13.5 million. Initiated by ASI, OPSIS is primarily designed to provide an operational system for high-resolution optical earth observation. For this purpose, the necessary technologies are to be developed and qualified in Italy during the A and B1 project phases. CGS has been selected as prime contractor for this mission and will be leading and coordinating a consortium of small and

medium-sized Italian companies. The launch of the satellite (launch mass 800 kg) is planned for 2016.

In this way, OHB has various earth and weather observation and reconnaissance products ranging from radar satellites to optical observation systems.

b) Communications

OHB System commenced the assembly of the Hispasat AG1 satellite for the commercial Spanish satellite service provider Hispasat. For this purpose, OHB's new SmallGEO platform is being deployed directly in the satellite operator's commercial system. The satellite is scheduled for a late 2014 launch.

ESA has also selected the SmallGEO platform as a basis for the European Data Relay Satellite (EDRS-C) within the ARTES-7 program. Accordingly, OHB System will be supplying this satellite to Astrium Satellite Services, which will be operating it. Development work has begun in earnest. The enhancements to the SmallGEO model for use as a specialized data relay satellite in ultra-high-speed satellite-to-satellite communications are creating an important new strategic segment in both the civilian and military market.

This OHB-developed platform was also defined by DLR as the basis for a national telecommunications mission ("Heinrich Hertz"). On May 9, 2012, OHB System was awarded a contract by the Space Administration of the German Aerospace Center (DLR) for system management of a national telecommunications satellite known as "Heinrich Hertz" and the development of the necessary satellites. The contract that has now been signed is valued at around EUR 11 million and provides for work to be performed on the predefinition of all mission elements.

Total revenues by business unit before consolidation and holding

2012 in EUR millions



The results of this definition phase will be used as a basis for the ensuing construction and testing of the satellites, for which separate contracts will be awarded and which are to go into operation in 2016. "Heinrich Hertz" will be used to test new types of satellite communications technology under real conditions to safeguard national system competence in geostationary communications satellites. Among other things, it is also to carry a communications payload for the German federal armed forces.

In 2012, preliminary studies and analysis on "Electra", the "All Electric Spacecraft", were commenced. As these satellites do not require any chemical fuel, they will be substantially lighter. This will lower the launch costs on the one hand and permit substantially larger payloads on the other. Consequently, this type of satellite has the potential to significantly improve the economic viability of commercial and institutional satellite operations. However, it takes a period of several months to transfer the satellite to its ultimate geostationary orbit. There is strong global interest in satellites of this type. In Europe, OHB System is pioneering this technology. Built by LuxSpace Sàrl, the "VesselSat2" satellite was launched on board the "Long March 4B" vehicle, which lifted off from the Chinese Tajyuan space center on January 9, 2012, entering into a polar orbit. This is the second of two satellites after the successful launch of "VesselSat1" in November 2011. Weighing around 28 kilograms, "VesselSat2" was completed by LuxSpace within a single year. VesselSat1 and 2 are integrated in the existing ORBCOMM (OG2) system for the satellite-based monitoring of Automatic Identification System (AIS) data. LuxSpace is supplying the European Maritime Safety Agency (EMSA) with AIS data

harvested by VesselSat 1 and 2 for ship positioning and other maritime navigation and security functions in certain regions of the world. For this purpose, it has signed a multi-year master contract with EMSA. The contract is funded for up to EUR 0.5 million for the first year.

c) Navigation

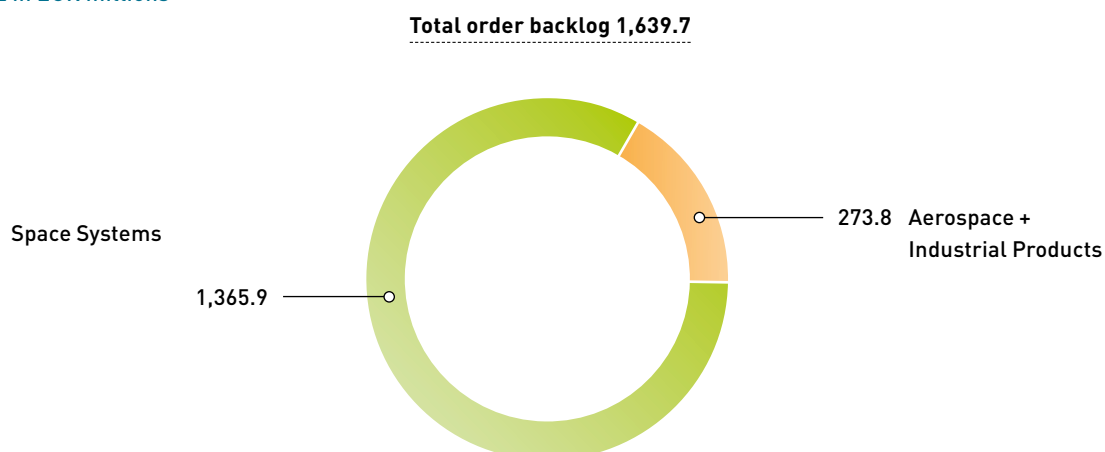
After the award by the EU and ESA on January 7, 2010 of a contract worth EUR 566 million for the construction and testing of 14 satellites for the Galileo* FOC (Full Operational Capability) space segment, OHB System signed a further contract for the delivery of an additional eight Galileo* FOC satellites on February 2, 2012. This additional contract is valued at around EUR 256 million.

Construction of the facilities required to assemble the satellites was completed in 2012, after which series production of the satellites commenced. For this purpose, the new integration hall (Galileo* hall) also went into operation. At the end of last year, the first satellite had already been largely completed and construction of a further six satellites commenced. The Galileo* FOC satellites are being built on the basis of an "island" principle which will permit satellite deliveries in a sequence of around five to six weeks.

Shipment of the first satellite to the ESA testing center is scheduled for April 2013. The first two OHB satellites are to be launched by ESA in the third quarter of 2013.

Order backlog by business unit

12/31/2012 in EUR millions



d) Space exploration

Under the ESA ExoMars 2016 project, OHB System is developing and building the mechanical, structural, thermal and drive sub-systems for the carrier/orbiter. It is a member of the Thales Alenia Space team on this European mission to Mars. As NASA has terminated the partnership with ESA, Russian space agency ROSCOSMOS is its new partner for ExoMars.

Developed by CGS, the LARES satellite (Laser Relativity Satellite) was successfully launched from Kourou, French Guyana, on board the Vega launch vehicle on its maiden flight on February 13, 2012. LARES is a national mission sponsored by the Italian Space Agency ASI. Its main purpose is to verify Einstein's Theory of General Relativity using the international Laser Ranging Service (LRS) network. LARES weighs around 400 kilograms.

e) Space research and robotics

OHB System was again involved in several studies in connection with ESA's next European scientific research missions in 2012. In this way, it is also building up a position for itself in this "classic" segment of space technology. It is particularly focusing on the major JUICE mission (to Jupiter and its moons) as this is where its SmallGEO program will be able to make an optimum contribution. Selection by ESA and further studies are planned in this connection. OHB Sweden was chosen by Astrium as a contractor for the attitude and orbit control system (AOCS) and the chemical propulsion system (CPS) for the Solar Orbiter mission that will be conducting close-up observations of the sun. Both contracts have a total volume of EUR 34.4 million.

The Solar Orbiter is the first mission in ESA's Cosmic Vision program to start its implementation phase and is scheduled for

launch in 2017. The mission lifetime will be seven years. The Solar Orbiter will be studying the sun and its effects on the solar system in detail. The Solar Orbiter is a joint ESA/NASA project, A launcher as well as one instrument and one sensor will be provided by NASA.

f) Manned spaceflight

OHB System is continuing to support work on board the ISS International Space Station including the management of experiments as well as maintenance and repair work for the equipment developed and supplied by OHB System.

On March 23, 2012, an Ariane-5 launch vehicle transported the third automated transfer vehicle (ATV) to the International Space Station. Both MT Aerospace AG and OHB System AG again made material contributions to the mission by supplying components for the launch vehicle and the payload.

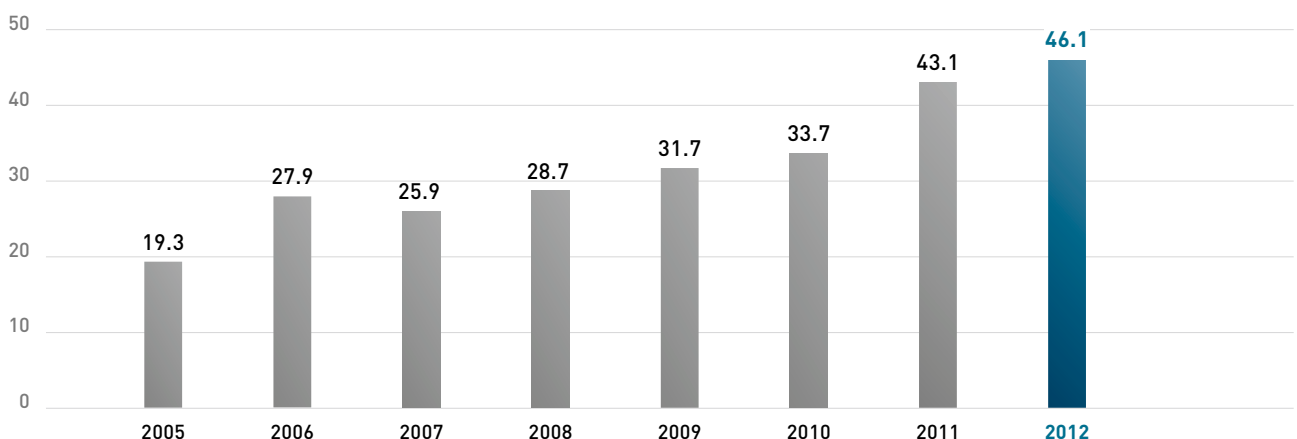
A further two ATV missions, in which both MT Aerospace and OHB System will be involved, are scheduled for execution by 2014.

g) Ground stations

In October 2012, the five SAR-Lupe radar satellites achieved 25 of the 50 contractual cumulative years of operation in space. All five satellites are in excellent condition and there are no signs of any age-related deterioration in their performance. Regular SAR-Lupe operations will be discontinued at the end of 2017, after which the system will be replaced by its successor known as SARah.

EBITDA

Over eight years in EUR millions



2. "Aerospace + Industrial Products" business unit

2012 saw a record number of seven Ariane-5 launches. Europe is thus continuing to demonstrate its leading position in the launch services market. As planned, Group member MT Aerospace AG supplied six flight sets for the Ariane-5 in 2012. In addition, components for the European transfer module ATV, which will be completing its final flight in 2014, were supplied. MT Aerospace continued further development work on a new upper-stage tank for the more efficient future Ariane 5 Mid-Life Evolution, which will be placed in service in 2017/2018.

In 2012, MT Aerospace AG's business in aircraft products primarily entailed the production and delivery of fresh and waste water tanks for Airbus aircraft as well as light-weight structures for the military transporter A400M. Thanks to Airbus' stable production plan for the A400M, production output rose substantially, with four shipsets delivered to the customer in 2012. This will increase to a total of eleven shipsets in 2013. Despite the delays in the development of tanks for the new Airbus A350, vibration testing was virtually completed in 2012.

Last year, MT Mechatronics shipped a further eleven antennas to its customer ESO for the ALMA project in Chile. Accordingly, 17 out of a total of 25 antennas had been delivered as of the end of September. The contract for the delivery of parts for the 64-meter radio telescope SRT in Sardinia was completed. With respect to the ATST Hawaii project, the final design phase has now been successfully completed aside from a few remaining issues arising from the final design review. The VLBI Spain project continued according to schedule. MT Mechatronics GmbH received a contract from Japanese company Toyo for the delivery of a 13-meter VLBI antenna worth EUR 2.5 million. This

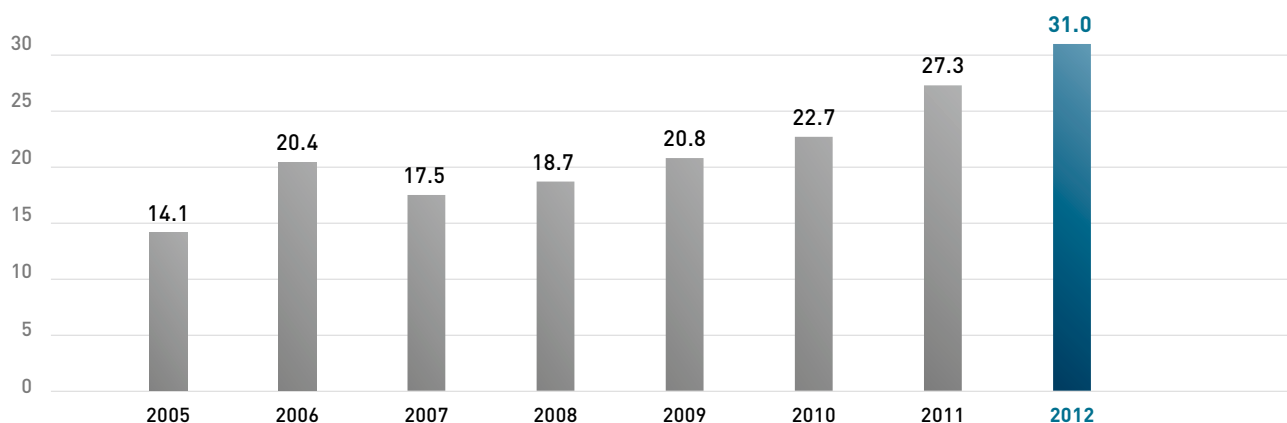
antenna is identical to the VLBI antennas for the Spanish project.

Aerotech Peissenberg is involved in new projects for nearly all aircraft engine producers and is supplying parts for many engine projects. The strategic relations with Rolls-Royce, the largest European manufacturer of aircraft engines, were additionally strengthened in 2012 with the signing of multiple master contracts for deliveries for a wide range of different programs. This is an important factor in this company's continued growth. In this connection, Aerotech Peissenberg is playing a particularly important role as a strategic supplier of rotating parts for Rolls-Royce. In 2012, it received contracts and orders with an expected volume of around EUR 450.2 million. The most important customers in addition to Rolls-Royce were Snecma and MTU Aero Engines.

In the telematics segment, around 5,000 telematics devices were again shipped in 2012 to core customer MAN despite the reduction in production output of commercial vehicles. This trend is continuing in 2013, with orders already received for 6,500 devices from MAN. Development of the new truck navigation system for the world's second largest commercial vehicle producer was completed after several years of work and preparations for series production, which is to commence in spring 2013. Development of a lithium-ion battery management system for the next-generation German submarine was successfully completed. The experience gained from this project is to be plowed back into the development of commercial applications. OHB Teledata sees promising potential for the future in this area, particularly in energy technology and warehouse management.

EBIT

Over eight years in EUR millions



III. SALES AND ORDERS

In 2012, the OHB Group's total revenues rose by EUR 77.4 million or 14% over the previous year to EUR 632.7 million. With an increase of EUR 40.6 million in non-consolidated total revenues to EUR 409.1 million, the "Space Systems" business unit performed particularly well again at the high level already achieved. Consolidated sales came to EUR 616.0 million (previous year: EUR 555.7 million).

Orders and ongoing business were strong in the "Space Systems" business unit. Thus, non-consolidated total revenues came to EUR 409.1 million in 2012 (previous year: EUR 368.5 million), Non-consolidated sales reached EUR 396.0 million (previous year: EUR 363.1 million). This encouraging performance is particularly due to progress made in the satellite programs. The heavy order backlog of over EUR 1,365.85 million as of December 31, 2012 ensures high forward planning visibility over a protracted period of time as well as continued growth.

At EUR 231.7 million in 2012, non-consolidated total revenues in the "Aerospace + Industrial Products" business unit were up EUR 36.4 million or 19% over the previous year.

With a value of EUR 1,640 million as of the balance sheet date (previous year EUR 1,046 million), the OHB Group's order backlog substantially exceeded the previous year. Of this, the "Space Systems" business unit contributed EUR 1,365.9 million (previous year: EUR 615.2 million) and the "Aerospace + Industrial Products" business unit EUR 273.8 million as of the balance sheet date (previous year: EUR 431.0 million).

IV. RESULTS OF OPERATIONS

In the period under review, the OHB Group generated EBITDA of EUR 46.1 million (previous year: EUR 43.1 million) and EBIT of EUR 31.0 million (previous year: EUR 27.3 million). Net profit after tax and minority interests stood at around EUR 14.8 million in the year under review (previous year: EUR 13.5 million), while earnings per share equaled EUR 0.85 in 2012, up from EUR 0.78 in 2011.

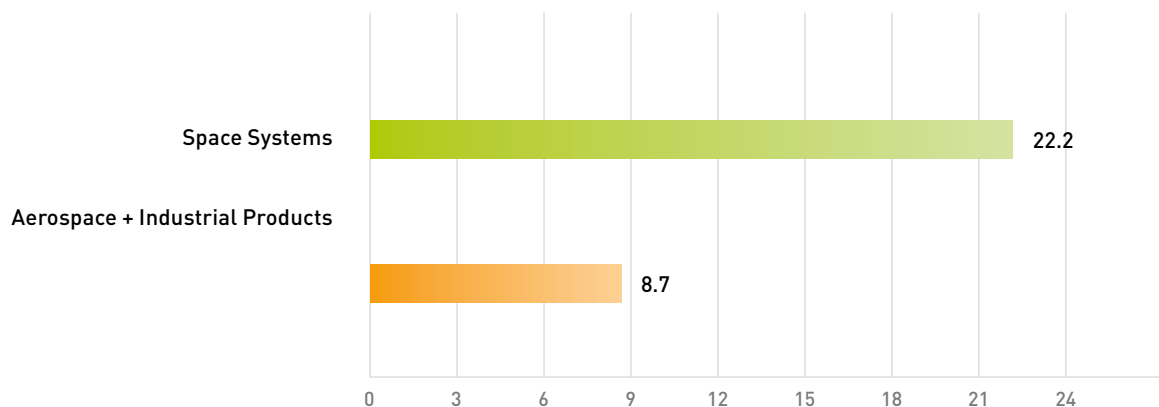
With the EBIT margin remaining constant, the targets formulated in the full-year forecast for 2012 were achieved or slightly exceeded. EBIT before consolidation in the "Space Systems" business unit dropped from EUR 25.1 million in the previous year to EUR 22.2 million. This decline over the previous year in spite of the increase in total revenues is due to the higher cost of materials and services purchased. Consequently, the EBIT margin in this business unit relative to non-consolidated total revenues also contracted over the previous year, declining from 6.81% to 5.43%.

EBIT in the "Aerospace + Industrial Products" business unit rose by a disproportionately strong rate from EUR 2.2 million to EUR 8.7 million. The EBIT margin came to 3.8% (previous year: 1.1%) due to a significant increase in total revenues accompanied by smaller absolute growth in the cost of materials and services purchased.

The OHB Group recorded net finance expense of EUR 7.0 million in 2012 (previous year: EUR 7.8 million). This includes other finance expense of EUR 7,112 million (previous year: EUR 7,241 million) chiefly comprising interest expense on pension provisions of EUR 4,242 million (previous year: EUR 4,175 mil-

EBIT by business unit before consolidation and holding

2012 in EUR millions



lion). The parent-company financial statements prepared according to German GAAP (HGB) for OHB AG carry an unappropriated surplus of around EUR 21.6 million for 2012. The Management Board and Supervisory Board will be asking the shareholders to approve a dividend of EUR 0.37 per share for 2012 at this year's annual general meeting.

V. ASSETS AND FINANCIAL CONDITION

In the year under review, the OHB Group's total assets rose from EUR 528.2 million to EUR 535.7 million. Group capital spending totaled EUR 21.6 million in 2012 (previous year EUR 15.5 million). Inventories dropped in value from EUR 89.0 million to EUR 82.4 million; on the other hand, prepayments received from customers came to EUR 110.4 million (previous year: EUR 122.4 million). Cash and cash equivalents including securities were valued at EUR 90.0 million as of December 31, 2012, down from EUR 94.4 million in the previous year. A detailed analysis of the cash flow can be found in the cash flow statement in the consolidated financial statements. With its continued strong liquidity, the OHB Group was again able to fund all main planned investments internally. Equity rose by EUR 11.2 million over the previous year, standing at EUR 124.8 million as of December 31, 2012 (previous year: EUR 113.6 million). As a result, the equity ratio increased from 21.5% to 23.3% as of the balance sheet date compared with the previous year. The pension provisions of EUR 82.3 million at the end of 2012 continue to constitute one of the largest items on the right-hand side of the balance sheet. The non-current financial liabilities of EUR 43.8 million chiefly relate to the project

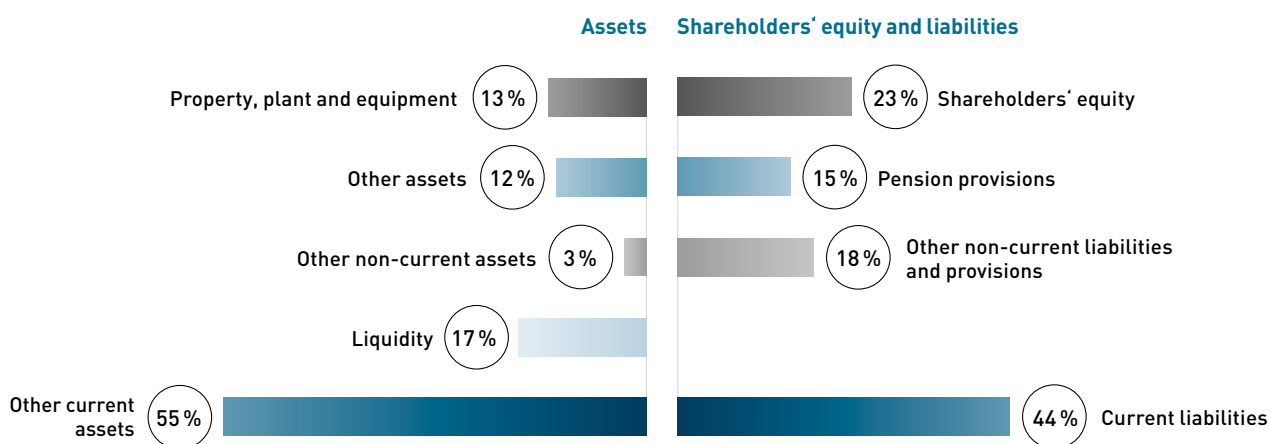
finance loans raised by the Italian subsidiary CGS S.p.A. Trade receivables of EUR 199.2 million (previous year: EUR 186.7 million) were matched by trade payables of EUR 98.5 million (previous year: EUR 95.1 million). The Management Board generally considers OHB AG's net assets and financial condition to be solid.

VI. EMPLOYEES

Staff numbers grew again substantially at several Group companies in 2012 in order to assemble the necessary workforce in terms of quantity and quality for the execution of customer projects. Encouragingly, the fast-growing Group companies in particular attracted a large number of job applications, something which reflects the growing awareness levels enjoyed by the Group and the appeal of its individual companies on the European labor market as a whole. Capacity requirement spiking was additionally addressed by means of temporary and permanent staff transfers within the Group. As of December 31, 2012 the number of employees within the OHB Group had increased to 2,493 (previous year: 2,352).

Asset structure | Total assets 12/31/2012: EUR 536 million

In a percentage of total assets



VII. RESEARCH AND DEVELOPMENT

In the year under review, OHB spent roughly EUR 16.9 million (previous year: EUR 15.0 million) on research and development (R+D). Part of the R+D activities (EUR 5.6 million) are funded by various institutions such as the European Union, the German Federal Government and the German states. In accordance with European Union directives, subsidies account for between 25% and 75% of the total costs depending on the proximity to completion of the development project.

In the "Space Systems" business unit, one of the main focuses was on basic space research. In addition to new and enhanced technologies, the focus was on new types of mission concepts, such as low-flying satellite constellations for ultra-high-resolution earth observation. A further aspect entailed technologies for enhancing and future-proofing the SmallGEO platform particularly in the light of commercial customers' requirements.

A further core R+D activity involved radar technologies, with the task of securing the technological facilities required for the follow-up SAR-Lupe system.

The "Aerospace + Industrial Products" business unit particularly performed the following development work on new products, product enhancements and cost reductions. In the launch vehicle segment, the main focus was on studies and technological developments ensuring key participation in the development and production of future launch vehicle programs. Preliminary development is being performed on a new upper-stage tank based on the robust diaphragm technology for the Europeaniza-

tion of the Vega upper stage. ESA is expected to award a development contract in 2013.

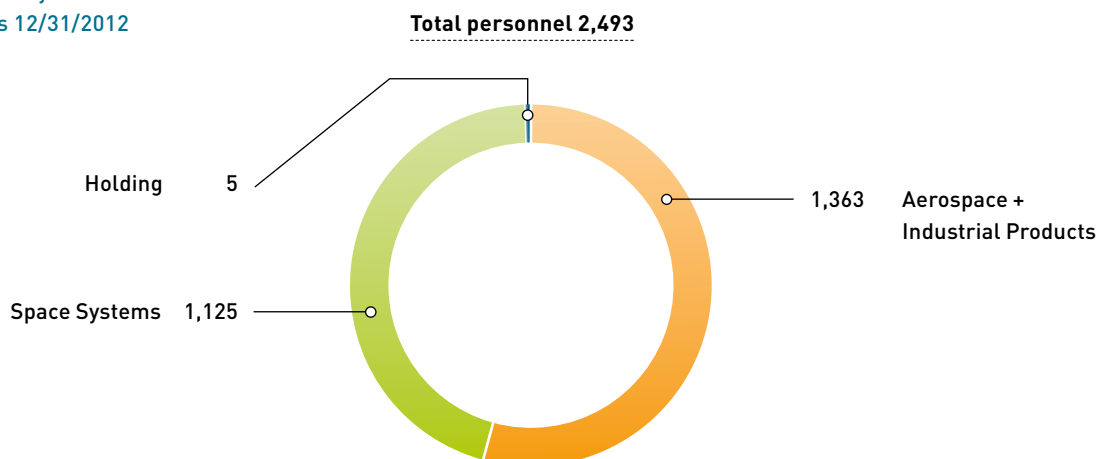
Studies and prototyping have commenced to detail structural and tank concepts for the future Ariane 6 with a particular focus on inexpensive production technologies and the fabrication of solid-matter engine casings made from composite materials.

In the satellite tanks segment, the mass-optimized tank structure made of metal liner and a CFRP wrapping was implemented on the basis of experience gained from the development of the Alphabus tank. The tank was tested and delivered on schedule. A concept was developed for the market for such high-pressure tanks aimed at achieving substantial savings and gaining a good competitive position. In the aviation segment, the use of composite materials (CFRP) is growing in importance. Thanks to their lower structural weight in tandem with greater rigidity, improved resistance to corrosion and enhanced durability, they offer particular advantages over conventional aluminum alloys. MT Aerospace AG is working continuously on enhancing its skills in the development and fabrication of CFRP components.

Aerotech Peissenberg (ATP) is involved in research projects with various universities to protect the lead which it has achieved in the mechanical processing of non-machinable materials. Thus, it has executed a project for monitoring the process parameters of machining operations. This is increasingly being required by customers in the interests of quality assurance and will form part of NADCAP certification in the future. A further project entails the optimization of the preliminary clearing and improvements to the endurance of the clear-

Staff

Total personnel by
business units 12/31/2012



ing tools as part of the Lufo 4 aviation research program with the Technical University of Aachen. Further development of the handling processes, machinery and equipment is monitored in close consultation with the machinery and software producers and implemented if required.

VIII. QUALITY AND ENVIRONMENTAL MANAGEMENT, DATA PROTECTION AND PROCESSES

1. Quality and environmental management

Quality and environmental management is monitored and regularly updated on a non-centralized basis by the individual companies.

Working on behalf of OHB AG, OHB System keeps track of the validity of the necessary certificates for coordinating selected individual processes and for harnessing synergistic benefits arising from the implementation of these processes at the following companies:

- OHB System AG, Bremen, Germany
- Kayser-Threde GmbH, Munich, Germany
- CGS S.p.A., Milan, Italy
- LUXSPACE Sàrl, Betzdorf, Luxembourg
- Antwerp Space N.V., Antwerp, Belgium
- OHB Sweden AB, Stockholm, Sweden
- MT Aerospace AG, Augsburg, Germany
- MT Mechatronics GmbH, Mainz, Germany
- Aerotech Peissenberg GmbH & Co. KG, Peissenberg, Germany
- OHB Teledata GmbH, Bremen, Germany
- megatel Informations- und Kommunikationssysteme GmbH, Bremen, Germany
- Telematic Solutions S.p.A., Milan, Italy

Legal responsibility for implementation of the certificate requirements in product-related operational quality processes rests with the individual companies.

Certification of the individual companies' quality management encompasses the sum total of distribution, systems management, development, procurement, production and maintenance of products for space and environmental technology, information and communications technology as well as software products and services.

a) OHB System AG

EN 9100:2009 Quality Management System (aviation/aerospace) based on ISO 9001:2008 Quality Management System

OHB System is certified for system guidance, design development, production and operations for aerospace products as well as reconnaissance and communication technologies. This certification involves inclusion in the BDLI supplier list for the aviation industry and in the global OASIS database managed by

IAQG. The certificate QS-3674 HH issued by Germanischer Lloyd is valid until May 2015.

AQAP 2110/-2210 (military products)

There is valid certification issued by the German Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support (BAAINBw) in accordance with AQAP 2110 (NATO quality assurance requirements for design, development and production) and AQAP 2210 (software quality assurance) for the development, production, sales & marketing in the area of aerospace, reconnaissance and satellite and communication technology. The BAAINBw certificate is contract- and product-related valid until May 2015.

b) Kayser-Threde GmbH

ISO 9001:2008 Quality Management System (base certification)

Kayser-Threde is certified for development, manufacture and sales of systems for aerospace, scientific and industrial applications. The DEKRA certificate No. 41294186/6 is valid until July 2015. Certification in accordance with EN 9100 is planned for 2015.

ISO 14001:2004 Environmental Management

Observance of the environmental management requirements stipulated by this standard is overseen by an environmental management officer; formal certification is not necessary.

c) CGS S.p.A.

ISO 9001:2008 Quality Management System (base certification)

CGS is certified for research, development, production and service for hardware and software for aviation and aerospace and ground stations for commercial and scientific purposes. Design, production, marketing, installation of integrated safety systems for video and other types of monitoring of fixed locations and the provision of related services. The certificate No. 869 issued by Quaser Certificazioni covers the CGS branches in Milan, Benevento, San Giorgio del Sannio and Tortona and is valid until February 2015.

d) LuxSpace Sàrl

ISO 9001:2008 Quality Management System (base certification)

LuxSpace is certified for the design and development, procurement and sales of space systems and related services. The certificate QS-4930 HH issued by Germanischer Lloyd is valid until June 2014.

e) Antwerp Space N.V.

ISO 9001:2008 Quality Management System (base certification)

Certification for a quality management system in accordance with ISO 9001:2008 was successfully completed at the begin-

ning of 2012. The certificate QS-8094 HH issued by Germanischer Lloyd is valid until February 2015.

f) OHB Sweden AB

ISO 9001:2008 Quality Management System (aviation/space and defense)

After its separation from Swedish Space Corporation, it was not possible for the certificates to be transferred to OHB Sweden. Accordingly, the quality management system is to be recertified by Intertek in accordance with ISO 9001:2008 at the end of 2013.

g) MT Aerospace AG

EN 9100:2009 Quality Management System (aviation/aerospace) based on ISO 9001:2008 Quality Management System

MT Aerospace is certified for the development, production and tests of components and subsystems for aerospace, aviation, defense and industrial applications. This certification involves inclusion in the BDLI supplier list for the aviation industry and in the global OASIS database managed by IAQG. The certificate QS-8086 HH issued by Germanischer Lloyd is valid until February 2015. Valid permits have been issued by the German Federal Aviation Office for the production (LBA EASA Part 21, Section A, Part G) and for maintenance (LBA EASA Part 145) of airborne vehicles. The term of these certificates (DE.21G.0048; DE.145.0253) is tied to the term of the EN 9100:2009 certificate.

h) MT Mechatronics GmbH

ISO 9001:2008 Quality Management System (base certification)

MT Mechatronics GmbH is certified for consultancy, conceptual and design studies, detailed design, manufacturing, installation, commissioning, system integration and service for turn-key communication antennas, radio- and optical large telescopes, mechatronical devices for institutional and industrial applications, launch facilities for the European Space Program. The certificate 455233 QM08 issued by DQS is valid until November 2015.

i) Aerotech Peissenberg GmbH & Co. KG

EN 9100:2009 Quality Management System (aviation/aerospace and defense) based on ISO 9001:2008 Quality Management System

Aerotech Peissenberg (ATP) is certified for the production of components for civil and military aero engines, industrial gas turbines and mechanical production of highly stressed and complex parts. This certification involves inclusion in the BDLI supplier list for the aviation industry and in the global OASIS database managed by IAQG. The certificate 880113001 issued by DEKRA is valid until January 2016.

ISO 14001:2004 Environmental Management

Aerotech Peissenberg has a certified environmental management system. The certificate 171212158 issued by DEKRA is valid until December 2015.

j) OHB Teledata GmbH

ISO 9001:2008 Quality Management System (base certification)

OHB Teledata is certified for sales, procurement, development, production and service for products and projects of telematics and telecommunications and battery management. The certificate QS-2276 HH issued by Germanischer Lloyd is valid until July 2014.

ISO 14001:2009 Environmental Management

OHB Teledata is maintaining a certified environmental management system. The certificate EM-4595 HH issued by Germanischer Lloyd is valid until November 2014.

k) megatel Informations- und Kommunikationssysteme GmbH

ISO 9001:2008 Quality Management System (base certification)

megatel is certified for sales, development and service for information technology products and projects. The certificate QS-6080 HH issued by Germanischer Lloyd is valid until July 2014.

l) Telematic Solutions S.p.A.

ISO 9001:2008 Quality Management System (base certification)

Telematic Solutions is certified for the design, production, distribution and service of hardware and software for telematics, data-recording and measurement systems. Design, production, marketing, installation of integrated safety systems for video and other types of monitoring of fixed locations and the provision of related services. The certificate No. 870 issued by Quaser Certificazioni is valid until February 2015.

2. Data privacy

Compliance with the German Federal Data Privacy Act

The data privacy officers at the individual companies in Germany who are formally registered with the responsible state data privacy agencies safeguard the privacy of personal data in accordance with the German Federal Data Privacy Act as most recently amended. Local implementation of the data privacy requirements is set forth in manuals and process descriptions and monitored by the responsible data privacy officers.

3. Important process qualifications

OHB System AG and CGS will be completing the qualification program for welding of surface-mounted devices (SMDs) for further component groups, including for FPGA with 352 connectors in accordance with ECSS (European Cooperation for Space Standardization) in 2013.

Kayser-Threde also underwent and passed a supplementary qualification program for further SMD component groups in 2012. A delta qualification program is scheduled for 2013 for individual casing forms.

Aerotech Peissenberg is certified for special processes in aviation, space and defense (NADCAP, National Aerospace and Defense Contractors Accreditation Program) and holds process certificates for non-destructive testing (NDT FPI), coatings (CT Flame + Plasma Spray) and conventional machining as a special process (CMSP Hole Making). These certificates are being maintained and are to be extended in 2013/2014 with the addition of clearing, turning and etching processes.

REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)

Regulation (EC) No. 1907/2006 (REACH)

EU rules came into effect on June 1, 2007 governing the management of chemical substances in the EU for all industrial products. These rules primarily set out regulations for the registration and monitoring of hazardous substances accounting for more than 0.1 percentage by weight in the product (according with registration in the REACH database).

All OHB companies are aware of this registration duty and impose this requirement on their subcontractors. OHB actively supports a joint initiative of the European space industry to seek exemption for hydrazine from the EU to ensure its continued availability for use.

Pending the combination of the REACH regulation and the RoHS (restriction of the use of certain hazardous substances) directive to limit the use of certain dangerous materials in electrical and electronic devices, all companies are seeking to avoid the use of dangerous substances in their electronic products. These are substances which are already being avoided in space products in accordance with the ECSS standards.

IX. SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE PERIOD UNDER REVIEW

There were no significant reportable event between the balance sheet date and the date on which the annual report for 2012 was prepared.

X. OUTLOOK

The OHB Group will remain on its growth trajectory in 2013 again.

1. "Space Systems" business unit

In 2013 and beyond, the "Space Systems" business unit will be concentrating on continuing its successful work on the Galileo*, HISPASAT AG1, Meteosat Third Generation, EDRS-C and EnMAP projects. Studies on the new concept for the "Electra" geostationary satellites will be continued and accompanied by negotiations with the later potential operator. ESA is systematically continuing the ExoMars program. OHB expects to receive the final contract for the carrier/orbiter of the 2016 sub-mission by the middle of the year. Negotiations for the carrier for the 2018 mission are currently ongoing.

Of central strategic importance is the award of the SAR-Lupe follow-up program. The corresponding proposal was submitted in November 2012, with the contract expected to be awarded in the second or third quarter of 2013. A series of requests for proposals for elements of the ESA earth observation and science mission as well as contracts for further studies, e.g. on METOP, JUICE etc., are expected for 2013. Depending on the program, OHB plans to submit proposals either as a principal or subcontractor. With respect to national Italian programs, CGS plans to confirm its role of second player in Italy for satellite missions, both for science and remote sensing.

Budgetary decisions in the EU, on the part of ESA and in the national space programs in Germany and Italy as well as the other countries in which OHB companies are located point to largely stable underlying conditions and a sufficiently firm basis for future planning.

With its current and planned projects and programs, OHB AG's "Space Systems" business unit is ideally positioned to maintain the level which it has achieved on a sustained basis and to continue growing successfully.

2. "Aerospace + Industrial Products" business unit

In the Space Transportation segment, the existing order backlog will ensure continued production and delivery of parts for the Ariane 5 until the end of 2013. Final negotiations are currently ongoing for a renewal of the production contracts by a further three years with a stable production rate of six launches per year. The contract for launch services provider Arianespace is expected to be received in the course of 2013.

In the long term, continued production of the Ariane 5 components is on a secure footing thanks to the development work commenced in 2009 on the upper stage of the Ariane 5 ME configuration. This configuration is expected to be used until well into the next decade.

One major aspect of space development business is the development of the new cryogenic upper-stage tanks for the Ariane 5 ME, which is to be completed in 2015, after which series production should commence in 2016. This will result in a slight increase in the proportion of work contributed to the

Ariane launcher as the upper-stage tanks will be shipped as a single unit for integration in the stage.

In the aviation segment, a small increase in business volumes for the production of fresh and waste water tanks for the Airbus A320/321 is expected. Following the delays which have arisen, development of the water tanks for the new Airbus A350 should be completed in the second quarter of 2013. The deliveries of air inlet/outlet systems for the A400M military transporter should generate substantial series sales in 2013, with a corresponding increase expected for the following years.

In 2012, Aerotech Peissenberg received contracts and orders with an expected volume of around EUR 400.2 million. The most important customers are Rolls-Royce, Snecma and MTU Aero Engines. The terms of the individual contracts range from five to ten years; in the case of Rolls-Royce, all contracts do not expire until 2022. In fact, an end-of-type contract was signed for the CFM56 engine, thus ensuring that Aerotech will have solid base capacity utilization over the next few years.

The orders entail the production of components for the existing volume ranges V2500 and CFM56 (for the Boeing B737 and Airbus A320 family), the business jet engine BR700 (for the GulfstreamV business jet), the large Trent700 engines (for the Airbus A330), GP7000 (for the Airbus A380) and Trent800 (for the Boeing B777) as well as the military engine F414 (for the Boeing F/A-18E/F Super Hornet). In addition, Aerotech Peissenberg has received contracts for the production of components for the TrentXWB programs (for the Airbus A350XWB) for Rolls-Royce and the LEAP-1A (for the Airbus A320neo) for Snecma. 1,000 TrentXWB engines were sold even before its market launch, while the LEAP engine family is the follow-up to the successful CFM56 family, of which 20,000 engines have been sold since its market release.

The aforementioned contracts signed in 2012 form the basis for Aerotech Peissenberg's planned sales growth in 2013.

In the antenna and telescope segment, existing order backlog is sufficient to ensure utilization of the existing resources until 2013. OHB expects this segment to perform well provided that the ALMA project in Chile continues to progress as planned and no further unforeseen extraordinary strains on earnings arise. A positive earnings effect may also arise from service contracts within the ALMA and SRT projects. In the telematics area, OHB is currently engaged in negotiations with a major commercial vehicle OEM for the delivery of around 35,000 on-board computers over the next four years. Work is continuing on turning battery management systems into a core competence.

In addition, OHB is in negotiations with two telecommunications carriers for the delivery of 5,000 container tracking units.

3. Outlook for the Group as a whole in 2013

The Management Board expects continued growth in 2013, with consolidated total revenues in the OHB Group climbing to more than EUR 700 million, underpinned by both business units, whose total revenues will be up on 2012 levels. At over EUR 53 million and EUR 36 million respectively, EBITDA and EBIT will also be up on the previous year in 2013. The Management Board assumes continued growth in 2014 with regard to the ratios total revenues, EBITDA and EBIT. The OHB Group expects earnings to continue increasing in the "Aerospace + Industrial Products" business unit in the financial years 2013 and 2014. At the same time, earnings in the "Space Systems" business unit should continue growing steadily from their 2012 levels in 2013 and 2014. Due to the high order backlog and the positive outlook regarding the years 2013 and 2014 we assume that the positive development of the asset and financial conditions will continue. It should be expressly noted in connection with forwardlooking statements that actual events may differ materially from expectations of future performance.

XI. INTERNAL CONTROL AND RISK MANAGEMENT

The control and risk management system forms an integral part of the corporate, planning, accounting and control processes and constitutes a material component of the management system. The Product Quality and Purchasing departments particularly monitor suppliers so that operating and technical risks can be assessed more reliably and suitable precautions taken. Monthly and quarterly reporting constitutes an integral part of OHB AG's risk management operations and has been widened to include all of the Group's companies. Group-wide controlling instruments (e.g. business intelligence software) are used for reporting purposes. One key aspect concerns comparisons of the actual/required figures and deviation analyses.

Budgeting, regular forecasts and ongoing reporting discussions supplement standardized reporting in the two business units. Appropriate precautions are taken in the accounting and consolidation process to ensure full implementation of the double-sign-off principle.

Access restrictions to the IT system ensure a high degree of data security. In addition, the accounting system complies with the requirements of public-sector contract awarding rules. Customer payment practices are monitored on an ongoing basis to minimize financial risks. In addition to a multi-level reminder system, controlling methods include regular reports to the Management Board. The OHB Group's customer base comprises a large proportion of public-sector customers both directly and indirectly. For this reason, the risk of payment defaults is very small. Over the past few years, there have been virtually no payment defaults, meaning that adjustments to or

the prolongation of individual receivables have not been necessary.

Payments on account received comprise part payments remitted upon the completion of specific project milestones. In this way, it is possible to minimize liquidity risks and working capital requirements.

XII. OPPORTUNITY AND RISK REPORT

OHB AG's Management Board permanently monitors the Group's operating, market and financial risks and is integrated in all main business and capex decision-making processes in order to ensure the Group's sustained business success. The opportunities and risk management system used by the OHB Group is primarily supported by the central Quality Management and Finance/Controlling departments. Assisted by the central departments, the Management Board observes and analyzes trends in the sector, market and economy as a whole on an ongoing basis. The basis for opportunities and risk management is formed by a detailed monthly report for overseeing orders and costs. Reporting also covers all business development, research and development activities and allows potential opportunities and risks to be identified at an early stage.

The subsidiaries submit standardized monthly reports to OHB AG covering all processes, opportunities and risks of relevance. The individual business units deploy different software systems for generating reports, e.g. SAP or business intelligence solutions.

We consider the following types of risk to be relevant for OHB AG's business activities:

1. Sector risks, risks in underlying conditions

The "Space Systems" business unit primarily works for public-sector customers. Accordingly, order receipts depend on public-sector budgets (primarily the EU, ESA, BMWi, DLR and BMVg in Germany, ASI in Italy etc). This market has been consolidating over the past few years. However, this situation is, if anything, favorable for OHB AG in view of its special standing as a German systems provider for space technology. In the "Aerospace + Industrial Products" business unit, the greatest market risk is in mechatronic systems for antennas and telescopes due to the heavy dependency on the global market for scientific radio and optical telescopes as the award of such contracts is materially determined by the provision of the necessary funding by the national governments involved. A further risk to which this segment is exposed arises from the delivery of parts for aircraft engines, which are heavily dependent on market trends in the aviation industry.

2. Strategic risks

The "Aerospace + Industrial Products" business unit is heavily exposed to the fortunes of the Ariane-5 program. In the "Space Systems" business unit, risks currently arise in connection with the in-orbit functionality of the SAR-Lupe satellites. A further main factor is the successful completion of development projects within the stipulated periods and in line with the contractual prices.

3. Sourcing risks

The OHB Group constantly optimizes its supply chain by monitoring the buy-side market continually, tracking inventories constantly and increasingly taking measures to safeguard the local availability of supplies. The efficiency of supply chain management has been enhanced by means of improvements in the vendor complaint system and by centralizing responsibility for safeguarding sourcing. As a result, it has been possible to reduce response times for complaints. In addition, it is continuing to tap new sources. In the "Aerospace + Industrial Products" business unit, the cost of some raw materials rose slightly in the course of 2012. The agreed delivery periods are very largely observed by the suppliers. The "Space Systems" business unit is exposed to only sporadic supply-side risks in the sourcing of subsystems. There is generally sufficient competition amongst suppliers with little likelihood of delivery shortfalls.

4. Project risks

The risk management system used for bid-costing and ongoing project management involves regular escalated reporting to the project managers, the directors, the Management Board of OHB AG and the management of the operating companies. All projects are subject to regular review by the Management Board and form part of a continuous monitoring process covering technical performance, schedule compliance and budget checking.

5. IT risks

The Group's business processes rely on information services and systems in all areas. The primary purpose is to ensure smooth operations of all IT systems and networks to support development and production processes as well as commercial application software. A further key aspect of the IT security strategy is to control access to data and to monitor data traffic both inside and outside the enterprise. OHB has installed special Internet access software to additionally enhance its networks with incoming and outgoing data.

In addition, it performed two assessments at its Bremen site in 2012 to prepare for basic BSI certification. It is planned to achieve BSI certification for selected networks at the Bremen site by the end of 2013. The corresponding budget has already been reserved. All main IT systems are fitted with the latest

antivirus systems and are automatically updated with the most important operating systems and applications. The modernization of the infrastructure at the Bremen facility and extensions to server virtualization have been completed.

In this connection, corresponding storage clusters and new innovative backup systems have been implemented. The IT processes will be adjusted to meet the new requirements in connection with BSI certification.

6. Financial risks

Most goods and services procured are invoiced in euro. Foreign-currency transactions in the dollar region may result in translation gains or losses. In the aviation segment, the US dollar-denominated orders and receivables were hedged. The securities entail long-term investments with acceptable risks. A conclusive assessment of the risk situation is not possible due to the current situation in the financial markets. Further information is available in the IFRS 7 disclosures contained in the notes to the consolidated financial statements. Working capital requirements can be reduced substantially by prepayments received for part services provided; as a result, liquidity risks can be considered to be controllable.

7. Personnel risks

The OHB Group employs a large number of highly qualified people, on whose motivation and dedication its success depends. However, Group expertise is spread over many people, meaning that there is only very limited dependence on individual specialists. Staff fluctuation is low at the OHB Group. Employee numbers have risen as a result of organic growth particularly in the "Space Systems" business unit. Despite the flourishing labor market in the highly specialized aviation and aerospace industry, the OHB Group has been able to find suitable specialists to cover its personnel requirements. Looking forward, it will be necessary to step up efforts to cover growing personnel requirements, particularly by means of international recruiting. Training and skills development also provide an important instrument for minimizing personnel risks.

8. Summary

Throughout 2012, the OHB Group's exposure was for the most part confined to the risks described. In the light of current market trends and the outlook for the Company's business, its order backlog and its financial situation, the Management Board considers future risks to the Group to be manageable. No risks to the Group's going-concern status are currently discernible.

9. Opportunity and risk report

The observance and evaluation of and business response to opportunities and the potential which they harbor as well as the response to risks call for professional opportunities management, which is combined in the OHB Group's opportunity and risk management system.

10. Material opportunities

Systematic observation of all relevant requests for proposals on a European and also a national level within the EU allows the OHB Group to take part in virtually all major bidding processes in Europe. With its European-wide presence and strong national companies specializing in selected technologies and applications in the space industry, OHB additionally has the opportunity of bidding for space contracts which are awarded to individual nations in accordance with the GEO return principle within ESA alongside EU-wide bids.

In the individual countries, the Group's national companies are additionally able to bid for contracts and projects awarded by the national space agencies. The high degree of specialization of the individual companies within the OHB Group generally means that when it bids for a major ESA project it receives the status of lead-manager or subcontractor of the lead-manager. OHB's specific space expertise is based on the long-standing experience of the responsible persons within the Group as well as basic research and development performed in this area allowing promising future areas and developments in European space flight to be identified at an early stage and corresponding research and development activities to be performed partly on a "contingent" basis. However, in addition to public-sector contracts and development projects, increasing commercialization of space both worldwide and in Europe is the main growth driver. Telecommunications, navigation and the increasing exploration of the earth by means of space technology are of key importance in this connection.

XIII. COMPENSATION REPORT

The compensation paid to the members of the Management Board comprises fixed and variable components. The service contracts currently in force with the members of the Management Board (duration of contracts for Marco and Manfred Fuchs: July 1, 2012 until June 30, 2015; duration of contract for Ulrich Schulz: July 1, 2012 until June 30, 2016) provide for variable compensation to be determined on the basis of a direct share in profit (percentage of EBT). There is currently no provision for any share-based compensation components or compensation components with a long-term incentive. In the event of the death of a Management Board member, his surviving dependents are entitled to receive continued payment of that member's fixed compensation for a further period of six months. The members of the Management Board are entitled to a company car. The compensation paid to the members of the Management Board breaks down as follows: The total fixed compensation paid in 2012 came to EUR 0.776 million (previous year EUR 0.732 million), while the variable component equaled EUR 0.683 million (previous year EUR 0.538 million). The breakdown by members of the Management Board is as follows: Mr. Marco R. Fuchs received a sum of EUR 0.307 million (previous year: EUR 0.284 million) as fixed compensation including all benefits as well as advances towards health and pension insurance and a non-cash benefit in the form of contributions of EUR 1,700 (previous year: EUR 1,700) towards an endowment policy.

Variable compensation equaled EUR 0.293 million (previous year: EUR 0.230 million). Prof. Dott. Ing. h.c. Manfred Fuchs received a sum of EUR 0.263 million (previous year: EUR 0.263 million) as fixed compensation including all benefits such as advances towards health. Variable compensation equaled EUR 0.293 million (previous year: EUR 0.230 million). In addition, payments of EUR 37,000 were made by OHB System AG pursuant to a pension commitment assumed in 1988 under which he is to receive a sum of EUR 3,000 a month upon turning 65 years.

Mr. Ulrich Schulz received a sum of EUR 0.205 million (previous year: EUR 0.185 million) as fixed compensation including all benefits as well as advances towards health and pension insurance and a non-cash benefit in the form of contributions of EUR 1,200 (previous year: EUR 1,200) towards an endowment policy. In addition, he received a sum of EUR 7,500 as a jubilee bonus. Variable compensation equaled EUR 0.098 million (previous year EUR 0.077 million). Mrs. Christa Fuchs as chairwoman of the Supervisory Board received a sum of EUR 30,000 for 2012 (previous year EUR 20,000), Prof. Dr.-Ing. Hans J. Rath as deputy chairman of the Supervisory Board a prorated amount of EUR 16,875 (previous year EUR 10,000), Mr. Robert Wethmar a prorated sum of EUR 3,000 and Prof. Heinz Stoewer

EUR 20,000 (previous year EUR 10,000). Variable compensation components were dispensed with for the members of the Supervisory Board.

Mrs. Christa Fuchs was paid compensation of EUR 0.118 million (previous year EUR 0.117 million) for her advisory services for members of the OHB Group in the year under review.

XIV. RELATED PARTIES REPORT

The OHB Group is effectively controlled by the Fuchs family via its direct and indirect equity interests. For this reason, the Management Board has prepared a related parties report in accordance with Section 312 of the German Stock Corporations Act, which was audited and certified as part of the audit procedures for the annual financial statements. In this related parties report, the Management Board makes the following declaration: "The Management Board declares that with respect to the transactions described in the related parties report the Company received reasonable remuneration for each transaction in the light of the circumstances of which it was aware at the point in time at which the transaction described were executed. No actions taken or omitted at the request or in the interest of the aforementioned persons and the companies controlled by them gave rise to any disadvantage."

XV. DISCLOSURES IN ACCORDANCE WITH SECTION 315 (4) OF THE GERMAN COMMERCIAL CODE

Breakdown of the subscribed capital (No. 1)

Issued capital stood at EUR 17,468,096.00 on the balance sheet date and was divided into 17,468,096 no-par-value bearer shares.

Restrictions to voting rights or the transfer of shares (No. 2)

Prof. Dott. Ing. h.c. Manfred Fuchs, Christa Fuchs and Marco R. Fuchs, who are also shareholders of VOLPAIA Beteiligungs GmbH, and VOLPAIA Beteiligungsgesellschaft mbH in their capacity as shareholders of OHB AG entered into a pooling contract on December 20, 2001 providing for the coordinated exercise of voting rights with respect to present and future share holdings. On February 4, 2009, the parties signed an addendum to this pooling contract imposing on them restrictions with respect to the sale of the shares held in the pooling contract. On July 10, 2009, the parties signed a revised version of the pooling contract. Romana Fuchs Mayrhofer joined this pool in January 2010. A total of 69.72% of the Company's issued capital is held in this pooling contract.

Shares exceeding 10% of the voting capital (No. 3)

As of the balance sheet date, Prof. Dott. Ing. h.c. Manfred Fuchs holds 16.39% and Marco R. Fuchs 18.23% of OHB AG's subscribed capital. VOLPAIA Beteiligungs GmbH holds a further 21.35% of the Company's shares. Together with the shares held by Christa Fuchs (8.02%) and Romana Fuchs Mayrhofer (5.72%), 69.72% of the Company's shares are subject to a pooling contract providing for the coordinated exercise of voting rights as of the balance sheet date.

Statutory stipulations and provisions contained in the Company's bylaws with respect to the appointment and dismissal of members of the Management Board and amendments to the bylaws (No. 6)

With respect to the appointment and dismissal of members of the Management Board, reference is made to the statutory provisions contained in Sections 84 and 85 of the German Stock Corporation Act. In addition, Article 7 (1) and (2) of the OHB AG's bylaws in the version dated June 8, 2012 stipulate that the Supervisory Board is to appoint the members of the Management Board and determine their number. A member of the Management Board may be appointed Chairman. In addition, the Supervisory Board is empowered to appoint members of the Management Board as deputy to the Chairman of the Management Board. The procedure for amending the bylaws is governed by Sections 133, 179 of the German Stock Corporation Act. Article 20 of OHB AG's bylaws also authorizes the Supervisory Board to make amendments to the bylaws affecting only their version.

Powers of the Management Board to issue or buy back shares (No. 7)

At the annual general meeting held on May 19, 2010, the shareholders passed a resolution authorizing the Management Board to buy back up to 10% of the Company's share capital in existence as of the date of the resolution on or before May 18, 2015. Authorization was granted to use the Company's shares for all purposes permitted by law including but not limited to:

- the placement of the Company's shares in foreign stock exchanges,
- the acquisition of all or parts of other entities or shares therein,
- offering and transferring shares to the employees of the Company or other related entities in accordance with Sections 15 et seq. of the German Stock Corporation Act.

The Company held 80,496 shares as treasury stock as of the balance sheet date. This is equivalent to around 0.46% of the share capital.

At the annual general meeting held on May 19, 2010, the shareholders authorized the Management Board to increase with the Supervisory Board's approval the Company's share

capital by up to EUR 8,734,048.00 on a cash or non-cash basis by issuing new shares once or several times on or before May 18, 2015. The new shares may also be issued to the Company's employees.

In addition, the Company's Management Board was authorized – subject to the Supervisory Board's approval – to exclude the shareholders' subscription rights

- for fractional amounts;
- for part of the authorized capital up to a maximum of EUR 1,746,809.00 provided that the new shares are issued in return for cash capital contributions at a price not materially less than the stock-market price;
- for a part of the authorized capital up to a maximum of EUR 8,734,048.00 provided the new shares
 - are issued as consideration for the acquisition of all or part of other companies or other assets or in return for a cash capital contribution and provided that such acquisition is in the interests of the Company; or
 - are issued as consideration for cash capital contributions to have the Company's stock listed in a foreign market in which it has previously not been admitted to trading

The Management Board is additionally authorized subject to the Supervisory Board's approval to determine the extent and nature of the option rights and the other conditions of issue.

Please refer to the corresponding parts of the notes on the consolidated financial statements for further information.

XVI. CORPORATE GOVERNANCE DECLARATION

The corporate governance declaration was officially published on OHB AG's website in March 2013. The website can be found at www.ohb.de → Investor Relations → Corporate governance → Corporate governance declaration

Corporate governance report

In June 2002, a commission installed by the German Federal Government published recommendations known jointly as the "German Corporate Governance Code" setting out standards of conduct and behavior for companies. Corporate governance includes the entire management and supervision system and seeks to make the rules applicable in Germany more transparent to national and international investors in the interests of strengthening confidence in the management of German companies. The Supervisory Board and the Management Board of OHB AG are committed to the principles embodied in the Code as a means of ensuring value-oriented corporate governance and supervision and welcome the adoption of these principles in Germany.

Management Board and Supervisory Board shareholdings

As of the balance sheet date, Christa Fuchs, chairwoman of the Supervisory Board, held 1,400,690 shares, Prof. Heinz Stoewer, a member of the Supervisory Board, 1,000 shares and Marco R. Fuchs, Chief Executive Officer, 3,184,796 shares. The other members of the Management Board Prof. Dott. Ing. h.c. Manfred Fuchs and Ulrich Schulz held 2,863,064 and 54 shares, respectively. On December 31, 2012, VOLPAIA Beteiligungs-GmbH held 3,730,170 shares. Christa Fuchs held 20%, Marco R. Fuchs 25% and Prof. Dott. Ing. h.c. Manfred Fuchs 35% of the capital of this company as of the reporting date.

Directors' dealings

In the year under review, members of the Company's Management Board and Supervisory Board as well as related legal entities did not report any securities transactions.

Objectives regarding the composition of the Supervisory Board

OHB AG seeks to implement the principle of diversity in the composition of the Supervisory Board and has formulated the following objectives in this connection. The members of the Supervisory Board as a whole (i.e. in its entirety and not necessarily each individual member of the Supervisory Board) should meet the following requirements:

- knowledge of the aviation/aerospace industry, particularly space technology
- several years of practical experience in industry and public organizations/agencies
- extensive knowledge gained over many years in finance, accounting, bookkeeping and administration.

In addition, the principle of diversity is implemented by ensuring an appropriate degree of female representation on the Supervisory Board. As well as this, a combination of members from technical and commercial backgrounds is sought. The

number of independent members as defined in Article 5.4.2 of the Corporate Governance Code is to equal at least one.

Status of implementation

A high degree of diversity in terms of gender, expertise and international experience has been achieved with the appointment of Mrs. Christa Fuchs, the founder of OHB System and commercial managing director with many years of experience, to the position of chairwoman of the Supervisory Board, Professor Heinz Stoewer as an internationally renowned space technology expert and former leading manager of ESA and managing director of the German Space Agency and Robert Wethmar as a partner in an internationally active law firm.

DECLARATION OF CONFORMITY BY OHB AG PURSUANT TO SECTION 161 OF THE STOCK CORPORATION ACT CONCERNING THE GERMAN CORPORATE GOVERNANCE CODE

OHB AG welcomes the German Corporate Governance Code and the fact that it is embodied in statutory law. The Management Board and the Supervisory Board of OHB AG declare that the Company conformed to the recommendations of the Corporate Governance Code Commission appointed by the German Federal Government and will continue to do so in the future. This declaration of conformity is based on the May 15, 2012 version of the Corporate Governance Code. OHB AG departs from the principles of the German Corporate Governance Code in only a small number of points:

Age limits for the Management Board (5.1.2)

OHB AG does not set a maximum age for members of the Management Board as this would limit the availability of Management Board members for appointment by the Supervisory Board.

Formation of Supervisory Board committees (5.3)

OHB AG's Supervisory Board has not formed any committees on account of the small number of members (three).

Age limits for the Supervisory Board (5.4.1)

The Corporate Governance Code recommends defining maximum ages for the members of the Supervisory Board. The Supervisory Board is elected by the shareholders of OHB; accordingly, a defined age limit is not a desirable factor for selection purposes.

Management Board and Supervisory Board of OHB AG

Bremen, December 20, 2012

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements for the Period
from January 1, 2012 until December 31, 2012



2011

2012

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I. CONSOLIDATED INCOME STATEMENT

		in EUR 000s	
	Note	2012	2011
1. Sales	(1)	615,982	555,689
2. Changes in inventories of finished goods and work in progress	(2)	-3,475	-23,823
3. Other own work capitalized		9,259	8,246
4. Other operating income	(3)	10,963	15,180
5. Total revenues		632,729	555,292
6. Cost of materials	(4)	375,254	323,656
7. Staff costs	(5)	168,386	149,568
8. Depreciation and amortization	(6)		
9. Other operating expenses		15,113	15,825
10. Operating profit (EBIT)		42,963	38,967
11. Other interest and similar income	(7)	31,013	27,276
12. Other financial expenses	(7)	1,046	995
13. Currency translation gains/losses		7,112	7,241
14. Net profit/loss from shares carried at equity	(7)	-170	-185
15. Investment income	(7)	-667	31
16. Net financial income/expense		-115	-1,359
17. Earnings before taxes		-7,018	-7,759
18. Income taxes	(8)	23,995	19,517
19. Consolidated net income for the year		8,291	6,438
20. Minority interests	(9)	15,704	13,079
21. Consolidated net income for the year after minority interests		-878	444
22. Consolidated profit carried forward		14,826	13,523
23. Additions to share premium		66,886	59,449
24. Consolidated profit		0	0
25. Number of shares		81,712	72,972
26. Earnings per share (basic, EUR)		17,387,600	17,399,351
27. Earnings per share (diluted, EUR)		0.85	0.78
		0.85	0.78

II. STATEMENT OF COMPREHENSIVE INCOME

		in EUR 000s	
	Note	2012	2011
Consolidated net income for the year		15,704	13,079
Exchange difference on translating foreign operations	(21)	41	29
Net gains/losses from the measurement of financial assets recorded under equity	(21)	1,471	830
Cashflow Hedges	(21)		
Recycling		0	-119
Gains/losses arising during the year		80	-43
Other comprehensive income after tax		1,592	697
Comprehensive income		17,296	13,776
Of which attributable to			
equity holders of OHB AG		16,390	14,265
other equity holders		906	-489

III. CONSOLIDATED BALANCE SHEET

Assets

		in EUR 000s	
	Note	December 31, 2012	December 31, 2011
Goodwill	(10)	7,687	7,687
Other intangible assets	(10)	36,324	32,412
Property, plant and equipment	(11)	70,776	68,707
Shares carried at equity	(12)	1,259	1,926
Other financial assets	(13)	17,966	15,793
Non-current assets		134,012	126,525
Other non-current receivables and assets	(14)	2,609	2,875
Securities	(16)	5,418	5,334
Deferred taxes		5,686	5,803
Other non-current assets		13,713	14,012
Property, plant and equipment/non-current assets		147,725	140,537
Inventories	(15)	82,408	89,007
Trade receivables	(14)	199,234	186,687
Other tax receivables	(14)	1,744	5,749
Other non-financial assets	(14)	14,596	11,815
Securities	(16)	3,761	3,250
Cash and cash equivalents	(17)	86,236	91,194
Current assets		387,979	387,702
Total assets		535,704	528,239

Shareholders' equity and liabilities

		in EUR 000s	
	Note	December 31, 2012	December 31, 2011
Subscribed capital	(18)	17,468	17,468
Additional paid-in capital	(19)	15,094	15,094
Retained earnings	(20)	521	520
Other comprehensive income	(21)	-713	-2,276
Treasury stock	(22)	-781	-781
Consolidated profit		81,712	72,972
Shareholders' equity excluding minority interests		113,301	102,997
Minority interests	(23)	11,462	10,580
Shareholders' equity		124,763	113,577
Provisions for pensions and similar obligations	(24)	82,279	81,676
Other non-current provisions	(25)	3,419	3,487
Non-current financial liabilities	(26)	43,784	44,464
Non-current advance payments received on orders	(27)	32,316	65,757
Deferred tax liabilities		14,462	13,240
Non-current liabilities and provisions		176,260	208,624
Current provisions	(25)	19,519	20,378
Current financial liabilities	(28)	21,488	18,536
Trade payables	(29)	98,500	95,089
Current advance payments received on orders	(30)	78,068	56,617
Tax liabilities		7,011	5,293
Other current liabilities	(31)	10,095	10,125
Current liabilities		234,681	206,038
Total equity and liabilities		535,704	528,239

IV. CONSOLIDATED CASH FLOW STATEMENT

	in EUR 000s	
	2012	2011
Operating EBIT	31,013	27,275
Non-cash income from first-time consolidation	-184	-3,158
Income taxes paid	-4,140	-1,415
Non-cash income	0	-522
Depreciation/amortization	15,113	15,825
Changes in pension provisions	603	916
Gross cash flow	42,405	38,921
Increase(-)/decrease (+) in own work capitalized	-9,257	-7,258
Increase(-)/decrease (+) in inventories	6,599	27,022
Increase(-)/decrease (+) in receivables and other assets	-12,848	-41,161
Increase(+)/decrease (-) in liabilities and current provisions	2,434	14,884
Increase(+)/decrease (-) in advance payments received	-11,990	-11,306
Profit (-)/loss (+) from the disposal of non-current assets	216	35
Cash inflow/outflow from operating activities	17,559	21,137
Payments made for investments in non-current assets	-12,332	-8,217
Payments received/made from the acquisition of consolidated companies	0	1,772
Payments received from the disposal of non-current assets	57	138
Interest and other financial income	962	920
Cash inflow/outflow from investing activities	-11,313	-5,387
Dividend payout	-6,086	-5,220
Equity issue	0	0
Payments made/received for other financial instruments	0	4,000
Payments made for the settlement of financial liabilities	-13,506	-14,492
Payments received from raising borrowings	15,778	20,431
Acquisition of treasury stock	0	-149
Minority interests	-24	0
Interest and other financial expenses	-7,227	-8,045
Cash inflow/outflow from financing activities	-11,065	-3,475
Changes to cash and cash equivalents	-4,819	12,275
Consolidation-related changes to cash and cash equivalents	0	0
Currency-related changes to cash and cash equivalents	-139	-160
Cash and cash equivalents at the beginning of the period	91,194	79,079
Cash and cash equivalents at the end of the period	86,236	91,194
Cash and cash equivalents at the end of the period and current financial instruments		
January 1	99,778	92,798
Changes in cash and cash equivalents including securities and current financial instruments	-4,363	6,980
December 31	95,415	99,778

Notes on the cash flow statement on page 87.

V. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR 000	Subscribed capital	Additional paid-in capital	Retained earnings	Other comprehensive income	Consolidated profit	Treasury stock	Shareholders' equity excluding minority interests	Minority interests	Shareholders' equity
Note	(18)	(19)	(20)	(21)	(22)	(23)	(23)	(23)	(23)
December 31, 2010	17,468	15,094	520	-3,018	64,669	-632	94,101	11,069	105,170
Dividend payment (EUR 0.30 per share)	0	0	0	0	-5,220	0	-5,220	0	-5,220
Comprehensive income	0	0	0	742	13,523	0	14,265	-489	13,776
Changes in treasury stock	0	0	0	0	0	-149	-149	0	-149
December 31, 2011	17,468	15,094	520	-2,276	72,972	-781	102,997	10,580	113,577
Dividend payment (EUR 0.35 per share)	0	0	0	0	-6,086	0	-6,086	0	-6,086
Comprehensive income	0	0	0	1,563	14,826	0	16,389	906	17,295
Other changes	0	0	1	0	0	0	1	-24	-23
December 31, 2012	17,468	15,094	521	-713	81,712	-781	113,301	11,462	124,763

VI. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information

The Company has its head office at Karl-Ferdinand-Braun-Str. 8 in 28359 Bremen, Germany. OHB AG exercises the function of an active holding company which manages the subsidiaries within the OHB Group. The Group is primarily engaged in the production and distribution of products and projects as well as the provision of high-technology services particularly in the areas of space and aeronautic technology, telematics and satellite services.

Accounting principles and methods

In accordance with Regulation (EC) 1606/2002 issued by the European Parliament and the Council on July 19, 2002, OHB AG is required to prepare consolidated financial statements in accordance with international accounting standards (IFRS/IAS). The consolidated financial statements have been compiled in accordance with the International Financial Reporting Standards (IFRS/IAS) applicable in the EU in the light of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC/SIC) as well as the supplementary provisions contained in Section 315 a of the German Commercial Code. The consolidated financial statements have been prepared in accordance with the going-concern principle. The Group manages its capital with the aim of ensuring that all Group members are able to operate in accordance with the going-concern principle and with the aim of maximizing income from its investments by optimizing its equity and debt capital. Managed capital comprises solely the equity capital of EUR 125 million

shown on the face of the consolidated financial statements. The overall strategy pursued by the Group was unchanged over 2011. The Group is not subject to any externally imposed capital requirements. In addition to the consolidated balance sheet, consolidated income statement and the consolidated statement of comprehensive income, the consolidated annual financial statements include a consolidated cash flow statement and a statement of changes in consolidated equity. The notes contain the declaration required by Section 285 No. 16 of the German Commercial Code confirming that the disclosures stipulated by Section 161 of the German Stock Corporation Act have been duly made. The income statement has been compiled using the total-cost method.

The reporting currency is the euro. Unless otherwise stated, all amounts are reported in millions of euros (EUR million). It should be noted that the use of rounded figures and percentages may result in differences due to commercial rounding.

Consolidation methods

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. All material subsidiaries under the legal or constructive control of OHB AG have been consolidated.

Any remaining positive difference between the cost of acquiring the shareholdings and the net assets calculated at their fair values is recognized as goodwill under IAS 3.32. The full goodwill method is applied.

Sales, expenses, income as well as receivables and liabilities between consolidated companies are netted and any inter-Group profits eliminated.

The carrying amounts of companies consolidated at equity are adjusted to allow for the proportionate profit/loss attributable to such companies.

Acquired businesses

No acquisitions were executed during this period. The preliminary first-time consolidation of OHB Sweden AB in 2011 was completed without any changes. In connection with Aerotech Peissenberg GmbH & Co., which was also consolidated for the first time in 2011, additional remeasurement gains of EUR 0.184 million were recognized. The previous year's figures have not been restated due to the subordinate importance of this amount.

Consolidated companies

OHB AG's consolidated financial statements include OHB AG, 13 domestic and seven non-domestic subsidiaries and a further non-domestic associate accounted for at equity. The table entitled "Consolidated companies" sets out the subsidiaries and associates together with the relative size of the share held. In addition, shares were held in other companies (see table

entitled "Further investments and financial assets", page 74). In accordance with the principle of materiality pursuant to the IFRS/IAS framework, the companies stated in the table, which are fundamentally subject to compulsory consolidation (OHB share > 20%), are not included in the consolidation perimeter. These companies' current sales and EBIT are not considered to make any material contributions to consolidated earnings. Subsidiaries with discontinued or minimal business activities which are of only minor importance for obtaining a true and fair view of the OHB Group's net assets, financial condition and results of operations as well as its cash flow are not consolidated. The share holdings shown in the tables entitled "Consolidated companies" and "Further investments and financial assets" correspond to the voting rights held. OHB AG's consolidated financial statements include the following companies: see "Consolidated companies" table.

Currency translation

Most outgoing invoices are denominated in euro. Incoming and outgoing invoices denominated in a foreign currency are converted and recognized on the balance-sheet date. Foreign-cur-

Consolidated companies

Name of company	Share held (%)	Consolidation
OHB System AG, Bremen (Germany)	100.0	Fully consolidated
ORBCOMM Deutschland Satellitenkommunikation AG, Bremen (Germany) ¹	100.0	Fully consolidated
STS Systemtechnik Schwerin GmbH, Bremen (Germany) ¹	100.0	Fully consolidated
KT Beteiligungs GmbH & Co. KG, Munich (Germany)	100.0	Fully consolidated
Kayser-Threde GmbH, Munich (Germany) ²	100.0	Fully consolidated
CGS S.p.A., Milan (Italy)	100.0	Fully consolidated
OHB Sweden AB, Stockholm (Sweden)	100.0	Fully consolidated
Antwerp Space N.V., Antwerp (Belgium)	100.0	Fully consolidated
LuxSpace Sàrl, Betzdorf (Luxembourg)	100.0	Fully consolidated
ELTA S.A., Toulouse (France)	34.0	At Equity
MT Aerospace Holding GmbH, Bremen (Germany)	70.0	Fully consolidated
MT Aerospace AG, Augsburg (Germany) ³	100.0	Fully consolidated
MT Aerospace Grundstücks GmbH & Co. KG, Munich (Germany) ⁴	100.0	Fully consolidated
MT Mechatronics GmbH, Mainz (Germany) ⁴	100.0	Fully consolidated
MT Aerospace Satellite Products Ltd., Wolverhampton (UK) ⁴	100.0	Fully consolidated
MT Aerospace Guyane S.A.S., Kourou (French Guiana) ⁴	100.0	Fully consolidated
Aerotech Peissenberg GmbH & Co. KG, Peissenberg (Germany) ³	100.0	Fully consolidated
OHB Teledata GmbH, Bremen (Germany)	100.0	Fully consolidated
megatel Informations- und Kommunikationssysteme GmbH, Bremen (Germany)	74.9	Fully consolidated
Timtec Teldatrans GmbH, Bremen (Germany)	100.0	Fully consolidated
Telematic Solutions S.p.A., Milan (Italy)	100.0	Fully consolidated

¹ held by OHB System AG

² held by KT Beteiligungs GmbH & Co. KG

³ held by MT Aerospace Holding GmbH

⁴ held by MT Aerospace AG

rency bank balances were translated at the end-of-year exchange rate. The annual financial statements of the independent foreign subsidiaries MT Aerospace Satellite Products Ltd. and OHB Sweden AB are prepared in their local currency (GBP and SEK, respectively) and translated to euros in accordance with the functional currency concept provided for in IAS 21. The foreign-currency difference arising from translation of the equity capital is recorded within equity from unrealized gains/losses.

Summary of significant accounting policies

The International Accounting Standards Board (IASB) and IFRIC have revised the following standard, which is subject to compulsory application as of the 2012 accounting period:

→ **IFRS 7** Financial Instruments: Disclosures. The amendments result in additional disclosure duties with respect to the transfer of financial assets. The changes are not relevant for the OHB Group in the period under review. First-time application of the aforementioned standard did not have any material effect on OHB AG's consolidated financial statements. The IASB has issued the standards, interpretations and revisions to existing standards set out in the following table which are not yet compulsory and do not become so until future reporting periods and which OHB AG has not voluntarily early adopted.

The revisions to IAS 19 alter the treatment of defined benefit pension plans and termination benefits. The most significant amendment concerns the recognition of changes in defined benefit obligations and plan assets. The revised guidance provides for immediate recognition of changes in defined benefit obligations and the fair value of the plan assets as soon as they

arise. The corridor approach previously stipulated in IAS 19 and hitherto applied by OHB has been abolished. Moreover, past service costs are now recorded immediately. All actuarial gains and losses must be included in other comprehensive income in the year in which they arise. Accordingly, net pension liabilities or assets in the balance sheet show the full extent of any short-fall or surplus in cover.

In addition, interest expense or income is calculated on the net defined benefit liability or asset by applying the discount rate to the net defined benefit liability or asset. This replaces the interest cost on the defined benefit obligation and the expected return on plan assets in accordance with the previous version of IAS 19. The revised IAS 19 is to be applied retrospectively. On the basis of a preliminary review, management assumes that first-time application of the revised IAS 19 in 2013 will result in a reduction of EUR 0.011 million in consolidated net profit and of EUR 6.656 million in other comprehensive income after tax in 2012 (January 1, 2012: reduction in equity of EUR 0.538 million). The corresponding adjustments will impact pension provisions and other non-current receivables and assets. These net effects will chiefly rise from the full recognition of actuarial gains and losses in other comprehensive income and the resultant deferred income taxes.

Management currently assumes that the application of the other above-mentioned guidance will not exert any material influence on the presentation of the financial statements. The Management Board of OHB AG has decided not to apply the aforementioned standards before the accounting periods in which application becomes mandatory.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income	To be applied in accounting periods beginning on or after July 1, 2012
Amendments to IAS 19 Employee Benefits	To be applied in accounting periods beginning on or after January 1, 2013
IFRS 10 „Consolidated Financial Statements“	To be applied in accounting periods beginning on or after January 1, 2014
IFRS 11 „Joint Arrangements“	To be applied in accounting periods beginning on or after January 1, 2014
IFRS 12 „Disclosure of Interests in other Entities“	To be applied in accounting periods beginning on or after January 1, 2014
IFRS 13 „Fair Value Measurement“	To be applied in accounting periods beginning on or after January 1, 2013
IAS 27 „Separate Financial Statements“	To be applied in accounting periods beginning on or after January 1, 2014
IAS 28 „Investments in Associates and Joint Ventures“	To be applied in accounting periods beginning on or after January 1, 2014
Amendments to IAS 12 Deferred tax: Recovery of Underlying Assets	Beginning of the first accounting period starting on or after the regulation has come into force
Amendments to IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters	Beginning of the first accounting period starting on or after the regulation has come into force
Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities	To be applied in accounting periods beginning on or after January 1, 2013
Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities	To be applied in accounting periods beginning on or after January 1, 2014
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	To be applied in accounting periods beginning on or after January 1, 2013

Changes in accounting policy

There have been no changes in the recognition or measurement principles compared with the previous year.

Recognition of revenues

Revenues and other operating income from series production are recognized on the date on which the services or goods are provided or risk passes to the customer. With respect to long-term contract construction, the percentage-of-completion method provided for in IAS 11 is applied, allowing for reasonable discounts on the basis of a true and fair view to allow for unexpected future risks to the extent that it is possible to calculate the partial profit with adequate precision on the basis of the percentage of completion. For this purpose, the percentage of completion is determined on the basis of the contract costs which have arisen as of the balance sheet date relative to the expected total contract costs. Revenues from contracts are calculated by multiplying the percentage of completion with the contractually agreed proceeds including any subsequently agreed additions. Long-term projects in progress on the balance sheet date (remaining durations of between one and eight years) are measured as revenues on the basis of production costs plus refundable administrative overhead costs provided that a partial profit can be estimated with a reasonable degree of reliability. Partial profits are recognized in other projects using generally accepted principles.

Borrowing costs

Borrowing costs must be included in the cost of acquisition or construction of qualifying assets in accordance with IAS 23.8.

Own work capitalized

Development expenditure is recognized as an asset pursuant to IAS 38.57 if a newly developed product or process can be clearly delineated, is technically feasible and is intended either for the Company's own use or for sale. A further condition is that it must be sufficiently likely for the development expenditure to be recouped from future cash flows. Such expenditure is recognized on the basis of the production costs incurred, primarily development hours multiplied by the applicable hourly rate. In the year under review, research and development costs of EUR 5.397 million (previous year: EUR 3.053 million) were recorded as expense as the criteria provided for in IAS 38.57 were not satisfied. Of the total development costs of EUR 16.9 million, an amount of EUR 5.9 million was capitalized and EUR 5.6 million received in the form of grants.

Net finance expense

Net financial income/expense includes the share of profits of associates accounted for at equity as well as other investments

including profit from the sale of financial assets, adjustments to the value of financial assets, other interest expenditure on liabilities, dividends, interest income on receivables and currency gains and losses.

Interest income is recorded in the income statement in accordance with the effective interest method. Dividends are reported in the income statement upon a resolution to distribute a dividend being passed. Interest expenditure on pension provisions are also reported as other interest expenditure.

Intangible assets

As of each balance sheet date, OHB reviews the carrying amounts of its intangible assets to identify any evidence of impairment. In this case, the recoverable amount of the asset in question is calculated to determine the amount of any impairment loss. The recoverable amount is defined as the fair value less possible costs of sale or the value in use, whichever is the greater. Intangible assets acquired from third parties primarily comprise software programs, order books acquired and licenses. These are written down on a straight-line basis over a period of between one and six years. Internally generated assets are written down on a straight-line basis over the expected useful life of four to eight years. For the purpose of identifying any impairment, goodwill must be allocated to each cash-generating unit within the Group expected to derive any benefit from the synergistic effects of the business combination. Cash-generating units to which part of the goodwill is allocated are subject to annual impairment testing. If there is any evidence of impairment of a cash-generating unit, it is tested more frequently for impairment. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is initially assigned to the carrying amount of all goodwill allocated to the unit and then on a proportionate basis to the other assets on the basis of the carrying amount of each asset within the unit.

Property, plant and equipment

As of each balance sheet date, OHB reviews the carrying amounts of its property, plant and equipment to identify any evidence of impairment. In this case, the recoverable amount of the asset in question is calculated to determine the amount of any impairment loss. The recoverable amount is defined as the fair value less possible costs of sale or the value in use, whichever is the greater. Assets classed as property, plant and equipment are carried at historical cost less scheduled straight-line depreciation over their expected useful lives. Subsequent expenditure on assets which does not increase their value or materially extend their useful lives is expensed. Material additions and improvements are recognized as assets. Disposals are reflected in historical acquisition costs as well as

accumulative depreciation. Profit and loss from the disposal of assets are recorded within operating income/expenses. The following depreciation periods are applied to property, plant and equipment: between ten and 33 years for buildings, five to ten years for machinery and technical equipment and three to ten years for other equipment as well as operating and business equipment. Property, plant and equipment held under finance leases are reported at the lower of the fair value or the present value of the minimum lease payments and written down over the shorter of their expected useful lives or the term of the lease.

Financial assets

Shares in associates

Shares in associates are reported at cost net of the share in their profit/loss for the year.

Other financial assets

Other financial assets are reported at cost (less any impairments) or, if market prices can be identified, at their fair value. This item comprises the investments in ORBCOMM Inc., details of whose stock market prices were available as of the balance sheet date. Adjustments resulting from fair value accounting are recognized within equity. The deferred income taxes arising from this are reported within deferred income tax liabilities. Other financial assets are set out in the table entitled "Further investments and financial assets".

Further investments and financial assets

Name of company	Share held (%)	Share in capital EUR 000s
RST Radar Systemtechnik GmbH, Salem (Germany)*	24.0	88
OHB CGS Guyane S.A.S., Kourou (French Guiana)*	100.0	10
OHB France S.A., Paris (France)*	100.0	37
OHB-ElectroOPTics GmbH, Bremen (Germany)*	50.0	13
beos GmbH, Bremen (Germany)	12.0	60
ATB GmbH, Bremen (Germany)	5.0	26
OHB Marine Technologies GmbH, Bremen (Germany)*	100.0	25
COSMOS International Satellitenstart GmbH, Bremen (Germany)*	49.9	13
Cosmos Space Systems AG, Bremen (Germany)*	66.6	40
Telemondo International GmbH, Bremen (Germany)*	100.0	26
KT Verwaltungsgesellschaft mbH, Bremen (Germany)*	100.0	25
ENERGIA Deutschland GmbH, Munich (Germany)*	40.0	10
Antares S.c.a.r.l., San Giorgio Del Sannio (I)*	24.0	58
Arianespace Participation, Evry (France)	8.3	8,328
MT Dezentrale Energiesysteme GmbH, Munich (Germany)*	100.0	1,022
MT Mecatronica Limitada, Santiago de Chile (Chile)*	99.9	30
Aerotech France S.A.S., Chateauroux (France)*	100.0	80
Aerotech Czech s.r.o., Klatovy (Czech Republic)*	100.0	0
ORBCOMM Inc., Rochelle Park NJ (USA)	5.0	6,623

* not consolidated in the year under review for materiality reasons

Of the investments in associates and financial assets stated, the following are material: MT Dezentrale Energiesysteme GmbH with equity as of December 31, 2012 of EUR 1.023 million and net profit for 2012 of EUR 0, RST Radar Systemtechnik GmbH with equity as of December 31, 2011 of EUR 0.487 million and net profit for 2011 of 0.049 million, Aerotech France S.A.S with equity as of December 31, 2012 of EUR 0.593 million and net profit of EUR 0.109 million and Aerotech Czech s.r.o. with equity as of December 31, 2012 of EUR -0.950 million and net profit of EUR 0.053 million.

Inventories

Inventories are recognized at historical cost or the lower net recoverable value prevailing on the balance sheet date. Part of the inventories were measured using the moving average method.

Receivables

Receivables and other assets are reported at their settlement amount. If in individual cases there are justified doubts as to whether receivables can be retrieved, they are written down or recorded at the lower recoverable value.

In the case of consolidated companies with construction contracts as defined in IAS 11 on their books, the percentage-of-completion method is applied allowing for reasonable discounts on the basis of a true and fair view to take account of unexpected future risks as far as it is possible to calculate the partial profit with adequate precision on the basis of the percentage of completion. Construction projects in progress on the balance sheet date (remaining durations of between one and eight years) are recognized as assets on the basis of production costs plus prorated refundable administrative overhead costs provided that a partial profit can be estimated with a reasonable degree of reliability. Projects for which partial profits have been recognized are reported under revenues pursuant to IAS 11.22. The corresponding contract costs are recognized as cost of materials/services in the fiscal year in question.

Securities/financial instruments

The fair values are determined on the basis of the stock market prices as of the balance sheet date. Non-current securities are measured in accordance with IAS 39 and IFRS 7 (Reclassification of Financial Assets).

Deferred income taxes

Pursuant to IAS 12, temporary differences between the carrying amount of assets or liabilities on the balance sheet and their tax base in accordance with IFRS/IAS give rise to deferred income taxes. The OHB Group applies a uniform domestic tax rate of 32% for calculating deferred income taxes.

Equity

IAS 32 (Financial Instruments: Disclosure and Presentation) stipulates that equity must not include any contractual obligation to deliver cash or any other financial asset to another entity. OHB AG defines equity as subscribed capital, the share premium, unrealized gains and losses recognized within equity, retained earnings and accrued profit brought forward.

Provisions for pensions and similar obligations

Obligations under defined-benefit plans are calculated using the projected unit credit method in accordance with IAS 19 (Employee Benefits). The expected benefits are deferred over the entire period of service of the employees.

Other provisions

Other provisions have been reliably assessed for matters resulting in an outflow of enterprise resources to settle present obligations in accordance with IAS 37. Estimates are primarily based on detailed calculations.

Liabilities

Liabilities comprise financial liabilities, trade payables and other liabilities. Financial liabilities are reported at amortized cost. Any differences between historical cost and the settlement amount are reported in accordance with the effective interest method. Further liabilities are recognized at their nominal or settlement amount.

Estimates

Proper and full preparation of the consolidated financial statements requires to some degree the use of estimates and assumptions, which affect the assets and liabilities reported, the disclosure of contingent liabilities and receivables on the balance sheet and the income and expenses recognized. The actual amounts may vary from these estimates and assumptions in individual cases. Any adjustments are taken to the income statement upon further knowledge becoming available. The value of goodwill is determined in an annual impairment test. This test involves estimates of future cash inflows. Future changes in the general economic environment and the situation of the sector or Company may result in a reduction in net cash inflows and, hence, impair the value of the goodwill. Technical progress, deterioration in the market situation or damage may necessitate non-scheduled depreciation of property, plant and equipment. The percentage-of-completion method is applied to long-term construction contracts provided that the applicable conditions are satisfied. For this purpose, the costs incurred are divided by the total costs to calculate the percentage of completion.

Pension provisions are calculated on the basis of a number of premises and assumed trends, the application of biometric probabilities as well as generally accepted approximation methods to determine pension obligations. Actual payment obligations arising over time may vary from these. Tax provisions and impairment testing of deferred tax assets are also based on estimates. In determining the value of deferred tax assets, uncertainty may arise with respect to the interpretation of complex tax legislation as well as the amount and timing of

future taxable income. Other provisions are recognized in the light of available knowledge and using the customary scope for discretion. In view of the current conditions in the economy and the financial markets, it is not possible at this stage to make any reliable assumptions on the range of possible adjustments which may need to be made to the estimates in 2013.

VII. NOTES ON THE CONSOLIDATED INCOME STATEMENT

(1) Sales

Revenues from construction contracts as defined in IAS 11 came to EUR 429.385 million in 2012 (previous year: EUR 404.185 million). The related contract costs stood at EUR 395.141 million (previous year: EUR 375.340 million). The resultant earnings before interest and taxes (EBIT) for 2012 equaled EUR 25.200 million (previous year: EUR 26.482 million).

Sales break down by business unit as follows:

in EUR 000s	2012	2011
Space Systems	396,011	363,114
Aerospace + Industrial Products	227,717	200,816
Consolidation	-7,746	-8,241
Total	615,982	555,689

Additional disclosures on POC measurement (IAS 11)

in EUR 000s	Net assets	Net liabilities	Total
Expenses + profit	728,178	499,486	1,227,664
Prepayments received	589,331	552,780	1,142,111
Amount shown on balance sheet	138,847	-53,294	85,553

(2) Reduction in inventories of finished goods and work in progress

The reduction in inventories of finished goods and work in progress relate to the increase of EUR 0.3 million in the "Space Systems" segment (previous year: decrease of EUR 9.6 million) on the one hand and the reduction of EUR 3.8 million in the "Aerospace + Industrial Products" segment (previous year: decrease of EUR 14.2 million) on the other. All told, inventories declined by EUR 3.5 million.

(3) Other operating income

The other operating income of EUR 10.963 million (previous year: EUR 15.180 million) includes income from the reversal of provisions of EUR 3.749 million (previous year: EUR 3.177 million) as well as income from grants of EUR 5.600 million (previous year: EUR 5.326 million). The income from grants for development performances is recognized upon the occurrence

of the related costs. Income from grants is reported gross, i.e. it is not netted with expenses. At the moment, there is no evidence indicating that the conditions imposed by the providers of grants cannot be satisfied. The income reported in the previous year included negative goodwill of around EUR 3 million arising from the first-time consolidation of OHB Sweden AB.

(4) Cost of materials

in EUR 000s	2012	2011
Cost of raw materials and goods purchased	269,786	241,960
Cost of services bought	105,468	81,696
Total	375,254	323,656

(5) Staff costs

in in EUR 000s	2012	2011
Wages and salaries	139,661	123,646
Social security charges and expenditure on old age pensions and support	28,725	25,922
Total	168,386	149,568

Pensions and pension provisions came to EUR 4.225 million (previous year: EUR 4.247 million).

(6) Depreciation and amortization

No non-scheduled depreciation/amortization was required in the year under review. Further details on depreciation/amortization are set out in the consolidated statement of changes in assets.

(7) Net finance income/expense

Interest

The interest income of EUR 1.046 million (previous year: EUR 0.995 million) primarily comprises interest earned on the investment of cash in fixed-term deposits.

The other finance expense of EUR 7.112 million (previous year: EUR 7.241 million) included in this figure chiefly relates to interest expenditure on pension provisions of EUR 4.242 million (previous year: EUR 4.175 million) and borrowing costs of EUR 2.001 million (previous year: EUR 2.140 million) at the level of one subsidiary. Interest on project-related borrowings arose on the part of one Group company (EUR 1.1 million at an average interest rate of 2.11%). Currency translation differences from fair-value hedges of EUR -0.065 million were recognized in profit and loss.

Share of profit/loss of associates

The share of profit/loss of associates comprises the share in the loss of EUR 0.667 million (previous year: profit of EUR 0.031 million) sustained by ELTA S.A., which is consolidated at equity.

(8) Income taxes

Actual income tax of EUR 6.648 million (previous year: EUR 4.134 million) arose with respect to the consolidated German companies; income tax of EUR 0.567 million (previous year: EUR 0.338 million) arose outside Germany. Domestic income taxes in 2012 were calculated in detail using different tax rates. Deferred tax assets are recognized pursuant to IAS 12. Domestic deferred income taxes are calculated on the basis of a tax rate of 32%.

Reconciliation of tax expense

in EUR 000s	2012	2011
Taxes at a tax rate of 32.00%	7,678	6,246
Reductions in tax expenses as a result of partially tax-exempt income	59	-256
Tax losses utilized	-47	-255
Effects on the accounting of tax losses carried forward which have not previously been recognised	-743	-
Non-deductible operating expenses	630	1,000
Other tax effects	105	-340
Off-period tax expense	175	-428
Additional non-domestic taxes	434	472
Effective tax expense	8,291	6,438

Deferred income taxes

The deferred income tax assets primarily arise from the difference in provisions for pension commitments in accordance with tax laws on the one hand and IFRS on the other. In 2012, deferred income tax expense of EUR 1.301 million (previous year: EUR 1.966 million) was recognized in profit and loss. Four subsidiaries recognized deferred income tax assets on unused tax losses of EUR 0.173 million (previous year: EUR + 3.253 million). The forecast for the next five years indicates that the unused tax losses will be utilized in full. No deferred income

taxes were recognized on the unused tax losses of EUR 22.978 million reported by Antwerp Space N.V.

(9) Non-controlling interests

Non-controlling interests are valued at EUR 0.878 million (previous year: EUR -0.444 million) and relate to MT Aerospace Holding GmbH and megatel GmbH.

IFRS/IAS earnings per share

Basic earnings per share are calculated by dividing the post-tax earnings attributable to the shares in question by the total number of shares with dividend entitlement. This indicator may be diluted by so-called potential shares – particularly options and subscription rights. There were no comparable rights as of the balance sheet date. Accordingly, there is no difference between basic and diluted earnings per share. The Company's share capital stands at EUR 17,468,096.00. The calculations were based on 17,387,600 shares as the Company held an annual average of 80,496 treasury shares. The consolidated net profit of EUR 14.826 million (previous year: EUR 13.523 million) net of non-controlling interests was used for calculation purposes. Earnings per share for 2012 came to EUR 0.85 (previous year: EUR 0.78).

VIII. NOTES ON THE CONSOLIDATED BALANCE SHEET**(10) Goodwill and other intangible assets**

The balance sheet for the year ending December 31, 2012 includes goodwill of EUR 7.687 million (previous year: EUR 7.687 million) (see table entitled "Goodwill").

Analysis of deferred taxes and assets

in EUR 000s	2012		2011		2012	2011
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Change effecting net income	Change effecting net income
Intangible assets and property, plant and equipment	435	10,888	794	9,309	-1,938	-867
Financial assets	420	275	377	510	279	-515
Current assets	217	11,801	98	11,234	-412	-3,678
Provisions	7,084	63	6,743	116	347	44
Liabilities	576	73	611	298	190	-66
Tax losses and credits	5,874	282	5,407	0	233	3,116
Consolidation	-8,920	-8,920	-8,227	-8,227	0	0
Total	5,686	14,462	5,803	13,240	-1,301	-1,966

Goodwill

in EUR 000s	2012	2011
Goodwill from consolidation of:		
STS Systemtechnik Schwerin GmbH	566	566
Timtec Teldatrans GmbH	115	115
ORBCOMM Deutschland AG	556	556
Telematic Solutions S.p.A./CGS S.p.A.	801	801
megatel GmbH	646	646
Subgroup Kayser-Threde	5,003	5,003
Total	7,687	7,687

Goodwill was tested for impairment at the level of the cash generating units as designated in the above table. The Telematic Solutions and CGS CGUs were combined in accordance with a resolution passed in 2011 and now constitute a single CGU.

Goodwill underwent impairment testing as of December 31, 2012. No impairments were identified.

The recoverable amount was calculated on the basis of the value in use, which in turn was determined by using a discounted cash flow method. This was based on the forecasts covering a period of five years approved by management for the companies concerned. Goodwill in the Kayser-Threde subgroup is based on a five-year plan, which is primarily derived from the existing order backlog and assumptions concerning future order receipts considered to be highly probable. In the light of historical data, it can be assumed on the basis of existing order books and expected order receipts that margins will grow steadily. The same basis was applied to measure the value of the other cash generating units. The EBIT margin of the Kayser-Threde cash generating unit should match that of the relevant "Space Systems" segment. A pre-tax weighted average cost of capital (WACC) of 10.20% (previous year: 9.40%) was applied to domestic goodwill and of 13.50% (previous year: 16.60%) to non-domestic goodwill. In the interests of caution, no discount on growth was included in the calculation of the terminal value. The other intangible assets chiefly comprise own work capitalized (see consolidated statement of changes in assets). Goodwill and other intangible assets are analyzed on pages 88/89.

(11) Property, plant and equipment

Additions in the year under review primarily entailed technical/electronic laboratory equipment, technical equipment and machinery, hardware, operating and business equipment and minor-value assets. With the exception of the land charges referred to in "Other financial obligations", there are unrestricted ownership rights to the remaining assets classed as property, plant and equipment. The depreciation amounts are set out in the consolidated statement of changes in assets. No impairment losses were recognized. The residual carrying amounts of the assets under finance leases stand at EUR 1.279

million (previous year: EUR 2.195 million). Favorable purchase options are available for the corresponding assets upon the expiry of the minimum lease period. Property, plant and equipment are analyzed on pages 88/89.

(12) Shares in associates

This item includes the cost of acquiring the investment in ELTA S.A. Toulouse, plus the share in its profit/loss for the year. The majority shareholder exercises a controlling influence on this entity's business model.

(13) Other financial assets

Changes in the carrying amounts of the other financial assets are as follows:

in EUR 000s	2012	2011
Amount on January 1	15,793	15,354
Net fair-value gains/losses recognized in equity	1,472	830
Changes to consolidated companies	0	0
Additions	760	156
Disposals	-59	-547
Amount on December 31	17,966	15,793

The change in fair value recognized within equity relates to the remeasurement of the shares held in ORBCOMM Inc. It was remeasured on the basis of the stock market price of ORBCOMM Inc. as of December 31, 2012 and the USD/EUR exchange rate as of the same date. The statement of comprehensive income includes net gains/losses from the measurement of financial assets of EUR 1.472 million.

(14) Receivables and other assets

Receivables and other assets are recognized at amortized cost. Receivables of EUR 2.609 million (previous year: EUR 2.875 million) are due for settlement in more than one year. The carrying amounts of current assets and other receivables primarily match their fair value. Receivables of EUR 150.581 million (previous year: EUR 110.749 million) relate to construction contracts recognized using the percentage-of-completion method.

Receivables and other assets mainly comprise current and non-current loans; there are no material interest or default risks. As of the balance sheet date, currency forwards worth USD 6.0 million had been transacted to hedge underlying contracts of USD 4.6 million to cover the exports of a consolidated company. The difference is reported as cashflow hedges for expected order receipts in 2013.

Trade receivables are due for settlement in less than one year and are reported at amortized cost, which generally equals their settlement amount net of any adjustments. Rea-

sonable adjustments are made to allow for discernible risks. As of the balance sheet date, adjustments of a total of EUR 4.009 million (previous year: EUR 0.259 million) had been made. Other tax receivables comprise income tax refund claims.

(15) Inventories

Inventories declined over the previous year to EUR 82.408 million (previous year: EUR 89.007 million). Prepayments received are not netted with inventories.

in EUR 000s	2012	2011
Raw materials and supplies	19,449	20,188
Unfinished goods and services	56,357	59,864
Finished goods and merchandise	2,653	3,479
Prepayments made	3,949	5,476
Total	82,408	89,007

Prepayments made were allocated to inventories due to their close relationship. Impairments were recognized on work in progress and included in profit and loss in the year under review.

(16) Securities

As of the balance sheet date, the securities portfolio was valued at EUR 9.179 million (previous year: EUR 8.584 million). This breaks down as follows: financial assets at fair value through profit or loss EUR 3.570 million (previous year: EUR 3.058 million), available-for-sale financial assets EUR 0 million (previous year: EUR 0 million) and loans and receivables EUR 5.418 million (previous year: EUR 5.334 million). Financial risks primarily comprise liquidity, market price and counterparty default risks. There are no material short-term liquidity or counterparty default risks as low-risk investment funds are selected for the most part. In the interests for averting market price risks, virtually all cash is invested in funds which can be redeemed at short notice in order to achieve broad risk diversification.

(17) Cash and cash equivalents

Cash and cash equivalents were valued at EUR 86.236 million on the balance sheet date (previous year: EUR 91.194 million) and comprised cash in hand and cash at banks. The cash at banks is due within three months and is exposed to only a minimal risk of any change in value.

(18) Subscribed capital

Since September 30, 2009, the Company's issued capital has equaled EUR 17,468,096.00 and is divided into 17,468,096 no-par-value ordinary bearer shares equivalent to a notional share of EUR 1.00 each in the Company's issued capital. Of these shares there are 17.387.600 in circulation, exactly the same

number like on the previous year's reporting date. There is one vote for each share held.

(a) Contingent capital

At their annual general meeting held on January 23, 2001, the Company's shareholders increased the Company's share capital by approving the issue of a total of EUR 516,404.00 in the form of up to 516,404 bearer shares on a contingent basis. The contingent capital increase is to be used for granting options to entitled persons under a staff compensation system. No such staff compensation systems are currently in operation. The contingent capital increase may only be implemented if the holders of such options exercise these. The new shares are dividend-entitled for the first time in the year in the course of which they are issued. The Management Board is authorized subject to the Supervisory Board's approval to determine the specific conditions for such contingent capital increase. In the event that options are granted to members of the Company's Management Board, the Supervisory Board is authorized to determine the specific conditions for such contingent capital increase.

(b) Authorized capital

At their annual general meeting held on May 19, 2010, the shareholders passed a resolution authorizing the Company's Management Board – with the Supervisory Board's approval – to raise the share capital once or repeatedly by a total of up to EUR 8,734,048.00 on a cash or non-cash basis (authorized capital) on or before May 18, 2015. The new shares may also be issued to the Company's employees. The Company's Management Board was authorized – subject to the Supervisory Board's approval – to exclude the shareholders' subscription rights in the following cases:

- (1) for fractional amounts;
- (2) for part of the authorized capital 2010 up to a maximum of EUR 1,746,809.00 provided that the new shares are issued in return for cash capital contributions at a price not materially less than the stock-market price (Section 186 (3) Sentence 4 of the German Stock Corporation Act);
- (3) for part of the 2010 authorized capital up to a maximum of EUR 8,734,048.00 provided the new shares
 - are issued as consideration for the acquisition of all or part of other companies or entities or other assets and such acquisition is in the interests of the Company provided that such acquisition is in the interests of the Company; or
 - are issued as consideration for cash capital contributions to have the Company's stock listed in a foreign market in which it has previously not been admitted to trading.

The Management Board is additionally authorized subject to the Supervisory Board's approval to determine the extent and nature of the option rights and the other conditions of issue.

(c) Authorization to acquire and sell treasury stock

At the annual general meeting held on May 19, 2010, the shareholders authorized the Company to buy back treasury stock of up to a total of 10% of the Company's share capital on or before May 18, 2015. Upon this authorization taking effect, the authorization granted on May 13, 2009 for the acquisition and utilization of treasury stock was revoked.

a) The Company is authorized to buy back a total of up to 10% of its own share capital in the amount existing as of the date on which the resolution was passed. At no time may the shares acquired by the Company together with other treasury stock already acquired or still held by it or attributable to it in accordance with Sections 71d, 71e of the German Stock Corporation Act exceed more than ten percent (10%) of its share capital.

The authorization may be exercised by the Company in full or in part, once or repeatedly or for different purposes and may also be exercised by dependent companies or companies in which OHB AG holds a majority stake for their account or for third-party account. The authorization expires on May 18, 2015. The authorization granted by the shareholders in their resolution passed on May 13, 2009 was canceled upon this new authorization taking effect.

b) The acquisition of shares must comply with the equal treatment principle (Section 53a of the Stock Corporation Act) and is executed at the Management Board's discretion either via the stock market (1) or in a public offering addressed to all shareholders (2). In the second case, the provisions of the Securities Acquisition and Transfer Act must be observed where applicable.

(1) If the Company buys back its own shares via the stock market, the purchase price paid per share (net of transaction costs) may not be any more than 10% above or below the average closing price of the stock in XETRA trading (or an equivalent replacement system) on the Frankfurt stock exchange on the last three trading days prior to acquisition of the shares.

(2) If the Company buys back its own shares in a public offering addressed to all shareholders, the purchase price paid per share (net of transaction costs) may not be any more than 10% above or below the average closing price of the stock in XETRA trading (or an equivalent replacement system) on the Frankfurt stock exchange on the fifth, fourth and third trading days prior to the publication of the offer. If such a public offering is oversubscribed, the shares must be bought back on a quota system. Provision may be made for the preferred acceptance of

a lower volume of up to 100 shares offered per shareholder and rounding in accordance with commercial provisions.

c) The Management Board is authorized to utilize the treasury stock acquired through the exercise of the authorization mentioned above for all purposes permitted by law, including but not limited to the following:

(1) Acting with the approval of the Supervisory Board it may use the treasury stock to have the Company's stock traded on foreign stock exchanges to which it has hitherto not been admitted.

(2) Subject to the approval of the Supervisory Board, it may offer or transfer the treasury stock to third parties for the purpose of acquiring companies, parts of companies or equity interests including but not limited to additions to existing equity interests.

(3) It may offer the treasury stock to the employees of the Company or other entities related to it in accordance with the definition in Sections 15 et seq. of the German Stock Corporation Act as employee shares.

(4) Acting with the approval of the Supervisory Board, it may redeem the treasury stock without any need for a resolution of the shareholders approving such redemption or related activities.

d) The Management Board is authorized – subject to the approval of the Supervisory Board and without any obligation for a further resolution to be passed by the shareholders – to sell the treasury stock acquired in accordance with the above authorization or in any other manner either publicly or in the form of an offer to the shareholders provided that the sale is for cash and the price offered is not materially less than the price at which equivalent stock issued by the Company is trading on the stock market on the date of the sale. For the purposes of the above rule, the stock market price is defined as the arithmetic mean of the price fixed for the Company's stock in the closing auctions in XETRA trading (or an equivalent replacement system) on the Frankfurt/Main stock exchange on the last five trading days before the date of the sale. This authorization is limited to a total of 10% of the Company's share capital. The maximum of 10% is reduced by the prorated share in the share capital accounted for by shares which are issued during the term of this authorization as part of an equity issue in which pre-emptive shareholder rights are excluded in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act. The volume covered by the authorization is also reduced by an amount equaling the prorated share in the share capital accounted for by conversion and/or option rights under bonds issued since the date on which this authorization takes effect in connection with which pre-emptive shareholder rights are excluded in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act.

Changes in equity not recognised through the income statement

in EUR 000s	2012			2011		
	before tax	tax effects	net	before tax	tax effects	net
Exchange difference on translating foreign operations	41	0	41	29	0	29
Net gains/losses from the measurement of financial assets recorded under equity	1,472	-1	1,471	830	0	830
Cashflow Hedges	115	-35	80	-235	73	-162
Total	1,628	-36	1,592	624	73	697

e) The aforementioned authorizations may be utilized once or repeatedly, in part or in full, individually or jointly.

f) The shareholders' pre-emptive subscription rights with respect to the Company's treasury stock are excluded in cases in which it is used in accordance with the authorizations described in c) (1) – (3) and d) above.

(19) Share premium

The share premium primarily comprises the cash proceeds from the stock-market flotation.

(20) Retained earnings

Retained earnings includes the negative goodwill arising from the consolidation of newly acquired companies up until 2002.

(21) Unrealized gains and losses recognized under equity

This equity item relates to the fair-value measurement of the shares held in ORBCOMM Inc. on the basis of the stock price on the balance sheet date net of the carrying amounts. This adjustment was recognized within equity.

It also includes gains and losses from cashflow hedges. This entails currency forwards with a fair value of EUR 0.053 million and a term of a maximum of twelve months. In the year under review, no provisions which had been set aside in earlier years were released to profit and loss or netted against acquisition costs. It also includes the foreign currency translation differences arising in connection with independent subsidiaries.

(22) Treasury stock

On September 13, 2011, the Management Board of OHB AG decided to implement a stock buyback program and to acquire up to 250,000 of the Company's shares in accordance with a resolution passed by the shareholders at the annual general meeting on May 19, 2010. Upon this authorization taking effect, the authorization granted on May 13, 2009 for the acquisition

and utilization of treasury stock was revoked. The purpose of the treasury stock is to place the Company's shares in foreign stock markets, to pay for the acquisition of other companies, parts of companies or shares in such companies and to issue shares to the Company's employees. The Company has been buying back shares on the stock market floor since September 14, 2011. Since the beginning of the buyback program, a total of 13,542 shares have been acquired at an average price of EUR 11.0145. No shares were bought back in the year under review. As of December 31, 2012, OHB AG's treasury stock comprised a total of 80,496 shares, equivalent to 0.46% of its issued capital.

(23) Non-controlling interests

The non-controlling interests are valued at EUR 11.462 million (previous year: EUR 10.580 million) and relate to the co-shareholders in the MT Aerospace subgroup and megatel GmbH.

(24) Provisions for pensions and similar obligations.

Provisions for pensions and similar obligations break down as follows:

in EUR 000s	2012	2011
Pensions	80,517	79,843
Similar obligations	1,762	1,833
Provisions for pensions and similar obligations	82,279	81,676

OHB Group has made arrangements for post-retirement benefits for entitled employees in both business units.

The amount of the future benefits is generally based on the length of service, amount of remuneration and position held within the Company. The direct and indirect obligations encompass those under existing pensions and entitlement to future pensions and retirement benefits.

Reinsurance has been taken out to cover retirement benefit obligations. Not all of these reinsurance policies satisfy the conditions for classification as plan assets. The latter are reported within other non-current assets. The reinsurance pol-

icies which satisfy the conditions for classification as plan assets are netted with the retirement benefit obligations.

There were no extraordinary expenses or income as a result of the termination of any plans or on account of the curtailment or transfer of benefits in the year under review. The calculation of post-retirement benefit obligations takes account of market interest rates as well as trends in wages and salaries, pensions and fluctuations on the basis of the following actuarial assumptions:

- Discount rate: 3.80% (previous year: 5.00%)
- Estimated future salary/wage increase: 2.75% (previous year: 3.00%)
- Wage and salary drift: 0.00% (previous year: 0.00%)
- Estimated future pension trend 1.75% (previous year: 2.00%)

The following alternative actuarial assumptions apply to the subsidiary Antwerp Space:

- Discount rate: 2.80% (previous year: 4.50%)
- Estimated future salary/wage increase: 1.00% (previous year: 3.00%)
- Estimated future pension trend 2.00% (previous year: 2.00%)
- Expected return on plan assets: 2.80% (previous year: 4.00%)

These parameters are also applied in the following year to the calculation of the cost of the entitlement acquired. The total cost of defined benefit pension commitments breaks down as follows:

in EUR 000s	2012	2011
Current service cost	859	1,070
Interest cost	4,242	4,175
Expected income (-) from plan assets	-266	-276
Amortized actuarial gains (-)/losses (+)	-16	-12
Total	4,819	4,957

The present values of the defined benefit obligations changed as follows:

in EUR 000s	2012	2011
Present value of the defined benefit obligations on January 1	86,757	80,433
Changes to consolidated companies	0	7,057
Present value of the entitlement acquired in the year	859	1,338
Interest expenditure on entitlement already acquired	4,242	3,907
Payments from provisions	-4,225	-4,247
Actuarial gains (-)/losses (+)	9,854	-1,731
Present value of the defined benefit obligations on December 31	97,488	86,757

The plan assets break down as follows:

in EUR 000s	2012	2011
Value of plan assets on January 1	6,679	7,053
Changes in the companies consolidated	0	0
Payments received	0	0
Payments made	-283	-488
Expected income	266	276
Actuarial gains (+)/losses(-)	67	-162
Value of plan assets on December 31	6,729	6,679

Actual income from plan assets came to EUR 0.332 million (previous year: EUR 0.114 million).

The present value is reconciled with the defined benefit (defined benefit liability (+)/defined benefit asset (-)) as follows:

in EUR 000s	2012	2011
Actual present value of the defined benefit obligation on December 31	97,488	86,757
Fair value of plan assets	-6,729	-6,679
Unrecognized actuarial gains (+)/losses (-)	-10,596	-791
Pension obligation recorded on the balance sheet	80,163	79,287

Statement of changes in provisions

in EUR 000s	Balance on December 31, 2011	Added	Utilized	Released	Balance	Changes to consolidated companies	Balance on December 31, 2012
Pension provisions	81,676	4,867	4,264	0	0	0	82,279
- of which non-current	81,676	4,867	4,264	0	0	0	82,279
Other provisions	23,865	13,596	10,774	3,749	0	0	22,938
- of which non-current	3,487	1,781	1,565	284	0	0	3,419
Total	105,541	18,463	15,038	3,749	0	0	105,217

The pension obligation breaks down into a defined benefit liability and defined benefit asset as follows:

in EUR 000s	2012	2011
Defined Benefit Asset	-354	-556
Defined Benefit Liability	80,517	79,843

The present values of the defined-benefit obligations stood at EUR 72.895 million as of December 31, 2005, EUR 72.485 million as of December 31, 2006, EUR 65.629 million as of December 31, 2007, EUR 65.357 million as of December 31, 2008, EUR 68.709 million as of December 31, 2009, EUR 73.380 million as of December 31, 2010, EUR 80.078 million as of December 31, 2011 and EUR 90.759 million as of December 31, 2012. As a matter of principle, actuarial gains and losses not exceeding 10% of the present value of the obligations and the fair value of the fund assets are not recognized in accordance with the corridor method (IAS 19). The present value of the defined benefit obligations of EUR 0.788 million (previous year: EUR 0.781 million) was calculated in accordance with the entry age normal method. The fractional values are computed using actuarial principles on the basis of the 2005 G biometric tables compiled by Prof. Dr. Klaus Heubeck and an interest rate of 5.04 to 5.06%. With respect to these provisions, it is assumed that the application of the projected unit credit method provided for in IAS 19 does not result in any major differences in this item.

(25) Other provisions (current and non-current)

Non-current provisions primarily comprise provisions for phased retirement scheme obligations in the "Aerospace + Industrial Products" business unit. Current provisions of EUR 5.066 million (previous year: EUR 5.250 million) were set aside for the cost of purchased materials and services for which deliveries had already been received but for which the corresponding invoices were still outstanding. Other provisions primarily relate to obligations towards employees of EUR 10.917 million (previous year: EUR 9.565 million).

(26) Non-current financial liabilities

This mostly entails non-current liabilities towards banks owed by the Italian subsidiary CGS S.p.A. in an amount of EUR 35.819 million (previous year: EUR 40.748 million). These liabilities are due for settlement in more than twelve months after the balance sheet date. The average interest rate on these liabilities stands at 2.11%.

(27) Non-current prepayments received

This entails prepayments made by customers for contracts under construction which are due for completion in more than twelve months.

(28) Current financial liabilities

This mostly entails current liabilities towards banks and operating leases held by MT Aerospace AG (EUR 10.000 million), Aerotech Peissenberg GmbH & Co. KG (EUR 4.549 million), Kayser-Threde GmbH (EUR 3.046 million) and the Italian subsidiary CGS S.p.A. (EUR 3.725 million). The related lease liabilities stand at EUR 1.341 million.

(29) Trade payables

Liabilities are reported at their settlement amount. All liabilities are due for settlement within one year.

(30) Current prepayments received

This item comprises advance payments made by customers for contracts under construction due for completion in less than twelve months.

(31) Other current liabilities

These primarily entail personnel-related obligations.

Additional disclosures on financial instruments

Originated financial assets primarily comprise other financial assets, receivables, securities available for sale and held to maturity and cash and cash equivalents. The available-for-sale and held-for-trading financial assets are reported at their fair value and the other financial assets at amortized cost. Originated financial liabilities primarily comprise liabilities measured at amortized cost. Holdings of originated financial instruments are reported on the face of the balance sheet and measured at their maximum default risk. Adjustments are made for all discernible risks of default in financial assets. Financial instruments for which market prices are available are classified as available-for-sale financial assets; this category comprises solely such assets. The OHB Group does not have any financial liabilities whose conditions are contingent upon certain financial covenants being observed or reached. The historical cost of loans and receivables mostly equals their fair value (nominal amount less any impairment). The fair value of financial liabilities at amortized cost is derived from their discounted settlement amounts. Otherwise, fair values are determined by reference to listed prices.

Credit risks

Credit risks are generally low, the portfolio of receivables is broadly diversified (no risk clustering) and business is transacted only with investment-grade counterparties. In addition, however, general credit risks may always occur as a result of specific economic conditions. The Group as a whole does not take out any credit insurance for receivables as a large part of its customer base is made up of public-sector agencies.

Currency risks

The USD/EUR exchange rate influences income in aviation business. All orders and receivables denominated in US dollars have been hedged by means of currency forwards for 2013. In the "Space Systems" business unit, only a single contract is exposed to the USD exchange rate. The budget for 2013 assumes an exchange rate of USD/EUR 1.32. If the exchange rate increased by USD 0.10 over the end-of-year exchange rate, this would cause the planned income to drop by EUR 0.197 million.

Interest risks

Generally speaking, investments with low interest rates are preferred so as to avert interest risks and are subject to normal market fluctuation. One non-domestic Group member has credit facilities of EUR 36 million with various banks as of the

balance sheet date. Depending on the extent of utilization, these facilities are subject to normal market fluctuation in interest rates. Assuming average utilization of a maximum of EUR 36 million, a change by one percentage point in the interest rate would result in additional expenditure of EUR 0.360 million. The risk report included in the management report describes in detail the liquidity and market risks.

IX. OTHER INFORMATION**Segment report**

IFRS 8 stipulates that operating segments are to be defined on the basis of internal segment reporting which is regularly reviewed by the Company's chief operating decision maker with respect to the allocation of resources to these segments and the assessment of their profitability. The main management

Carrying amounts of financial instruments by type in 2012

in EUR 000s	Financial assets	Trade receivables	Other receivables and assets	Securities and cash and cash equivalents	Total
Held-to-maturity assets (HtM)	0	0	0	0	0
Loans and receivables (LaR)	0	197,157	19,769	91,845	308,771
Available-for-sale assets (AfS)	17,966	0	0	0	17,966
Trading assets (FAHfT)	0	0	0	3,570	3,570

in EUR 000s	Financial liabilities	Trade payables	Advance payments received on orders	Other liabilities	Total
Financial liabilities measured at amortised cost (FLAC)	65,272	90,525	119,087	17,106	291,990
Trading liabilities (FLHfT)	0	0	0	0	0

Carrying amounts of financial instruments by type in 2011

in EUR 000s	Financial assets	Trade receivables	Other receivables and assets	Securities and cash and cash equivalents	Total
Held-to-maturity assets (HtM)	0	0	0	0	0
Loans and receivables (LaR)	0	186,687	20,439	91,385	298,511
Available-for-sale assets (AfS)	15,794	0	0	0	15,794
Trading assets (FAHfT)	0	0	0	3,058	3,058

in EUR 000s	Financial liabilities	Trade payables	Advance payments received on orders	Other liabilities	Total
Financial liabilities measured at amortised cost (FLAC)	63,000	95,088	122,374	15,418	295,880
Trading liabilities (FLHfT)	0	0	0	0	0

Net gains/losses by category in 2012

in EUR 000s		Historical cost	Fair value	Net fair-value gains/losses recognized in equity	Net profit/loss for the period
Financial assets at fair value through profit and loss	FAFVPL	3,789	3,570	0	41
of which financial instruments designated using the fair value option		0	0	0	0
of which held for trading		3,789	3,570	0	41
Held-to-maturity financial assets	HtM	0	0	0	0
Loans and receivables	LaR	308,771	308,771	53	84
Available-for-sale financial assets	AfS	18,813	17,966	1,472	0
Financial liabilities at fair value through profit and loss	FLFVPL	0	0	0	0
of which financial instruments designated using the fair value option		0	0	0	0
of which held for trading		0	0	0	0
Financial liabilities at amortized cost	FLAC	291,990	291,990	0	0

Net gains/losses by category in 2011

in EUR 000s		Historical cost	Fair value	Net fair-value gains/losses recognized in equity	Net profit/loss for the period
Financial assets at fair value through profit and loss	FAFVPL	3,322	3,058	0	29
of which financial instruments designated using the fair value option		0	0	0	0
of which held for trading		3,322	3,058	0	29
Held-to-maturity financial assets	HtM	0	0	0	0
Loans and receivables	LaR	298,511	298,511	9	75
Available-for-sale financial assets	AfS	17,662	15,794	830	0
Financial liabilities at fair value through profit and loss	FLFVPL	0	0	0	0
of which financial instruments designated using the fair value option		0	0	0	0
of which held for trading		0	0	0	0
Financial liabilities at amortized cost	FLAC	295,880	295,880	0	0

Liquidity risks

Loan settlement periods

in EUR 000s	Less than one year	One to two years	Three to five years	More than five years	Total
Non-current financial obligations	0	34,091	7,664	2,029	43,784
Non-current prepayments received	0	31,142	1,174	0	32,316
Current financial liabilities	21,488	0	0	0	21,488
Trade payables	98,500	0	0	0	98,500
Current prepayments received on orders	69,468	8,600	0	0	78,068
Tax liabilities	7,011	0	0	0	7,011
Other current liabilities	10,095	0	0	0	10,095
Total	206,562	73,833	8,838	2,029	291,262

ratios used within the OHB Group are total revenues and EBIT. Information reported to the Management Board as the chief operating decision maker for the purposes of allocating resources to the Company's segments as well as the assessment of their profitability mostly covers the types of goods and services which are produced or provided.

The Group comprises the following reportable segments as defined in IFRS 8:

- Space Systems
- Aerospace + Industrial Products

The "Space Systems" segment chiefly develops and executes space projects. The "Aerospace + Industrial Products" segment is primarily responsible for fabricating aviation and space products as well as other industrial activities.

The segments are described in detail in the management report. Segment income, expenses and earnings also entail business relations between the business units. These transfers were netted in full. The measurement principles applied in segment reporting are identical to those applied in the preparation of the consolidated financial statements. The holding company is shown separately as most of the equity interests are held on this level. OHB AG exercises the function of an active holding company. The share of loss of ELTA S.A., which is carried at equity, was assigned to the holding company's net finance income/expense (loss of EUR 0.667 million). The carrying amount of the investment in ELTA S.A. of EUR 1.259 million was

allocated to the holding company's assets. As of December 31, 2012, ELTA S.A. had assets of EUR 39.963 million, equity of EUR 3.796 million and debt capital of EUR 36.167 million. ELTA S.A. reported a net loss for 2012 of EUR 1.963 million. As OHB holds less than 50% of the voting rights in ELTA S.A., it is not able to exercise any material influence on this company.

Sales (non-consolidated) break down by product group as follows:

in EUR 000s	2012	2011
Space technology	547,610	505,578
Aviation	82,806	52,556
Antennas	24,594	28,828
Automotive	111	375
Process control technology	4,783	4,710
Telematics	4,053	4,205
Total	663,957	596,251

OHB AG's non-consolidated sales break down by region (location of customer) as follows:

in EUR 000s	2012	2011
Germany	200,258	171,199
Rest of Europe	456,586	418,634
Rest of the world	7,113	6,418
Total	663,957	596,251

Segment reporting

	Space Systems		Aerospace + Industrial Products	
in EUR 000s	2012	2011	2012	2011
Sales	396,011	363,114	227,717	200,816
of which internal sales	1,083	228	6,663	8,013
Total revenues	409,135	368,520	231,672	195,264
Cost of materials and services purchased	284,608	241,997	109,420	89,448
EBITDA	27,954	31,020	18,113	12,103
Depreciation and amortization	5,720	5,922	9,398	9,907
EBIT	22,234	25,098	8,715	2,197
Non-current assets	48,727	40,736	72,729	72,669
Current assets	255,208	279,480	196,604	206,986
Total assets	303,935	320,216	269,333	279,656
Equity	49,529	46,800	34,173	31,964
Liabilities	254,406	273,416	235,160	247,692
Total equity and liabilities	303,935	320,216	269,333	279,656
Investments net of financial assets	11,766	8,100	9,025	7,197

With sales of EUR 148.628 million, a single customer in the "Space Systems" segment accounts for more than 10% of the OHB Group's total sales.

Non-current assets with a carrying amount of EUR 116 million (previous year: EUR 111 million) are located in Germany and those with a carrying amount of EUR 31 million (previous year: EUR 30 million) are located in other countries.

Notes on the cash flow statement

Liquidity comprises cash and cash equivalents as of December 31, 2012.

Other financial obligations

Financial obligations under leases are valued at EUR 44.981 million (previous year: EUR 47.947 million); of this, an amount of EUR 11.047 million (previous year: EUR 10.459 million) is due for settlement in less than one year, an amount of EUR 29.455 million (previous year: EUR 29.965 million) in one to five years and an amount of EUR 4.479 million (previous year: EUR 7.523 million) in more than five years. Operating leases entail financial obligations of EUR 2.047 million (previous year: EUR 1.241 million) due for settlement in one to five years; an amount of EUR 0.726 million (previous year: EUR 0.502 million) is due for settlement in less than one year. There are no operating leases with a term of more than five years.

The main operating leases are for buildings and have a term of one to five years. There are no purchase options.

Following the transfer of business activities held by a Group company to a subsidiary, there are other financial obligations of EUR 69.810 million (previous year: EUR 69.705 million) due for settlement in less than one year in the form of letters of comfort.

There are no other obligations necessitating an outflow of resources. Aerotech Peissenberg GmbH & Co. KG has issued a declaration of subordination in favor of its subsidiary Aerotech CZ for its own receivables of EUR 0.950 million. As of the balance sheet date, there were obligations under guarantees of EUR 13.553 million (previous year: EUR 22.985 million). OHB AG issued letters of comfort as collateral for current account facilities of a total of EUR 10.0 million granted to a Group member. As of the balance sheet date, an amount of EUR 3.1 million had been drawn down from these current account facilities. Pledges on land and buildings with residual carrying amounts of EUR 24.026 million have been provided as collateral for loans of EUR 10 million at the level of one Group company. In the case of a further subsidiary, pledges on land and buildings with residual carrying amounts of EUR 6.310 million have been provided as collateral for loans of EUR 3.147 million. OHB AG has issued a letter of comfort in favor of a customer for the completion of two projects/contracts by Group members.

Employees

The average head count stood at 2,442 in the year under review (previous year: 2,278).

Reconciliation				Total	
Holding company		Consolidation			
2012	2011	2012	2011	2012	2011
0	0	-7,746	-8,241	615,982	555,689
0	0	-7,746	-8,241	0	0
4,165	3,881	-12,244	-12,373	632,728	555,292
0	0	-18,774	-7,789	375,254	323,656
59	-22	0	0	46,126	43,101
46	48	-51	-51	15,113	15,826
13	-70	51	51	31,013	27,276
42,479	41,722	-29,923	-28,601	134,012	126,526
26,804	18,097	-76,924	-77,046	401,692	401,714
69,283	59,819	-106,847	-105,647	535,704	528,239
60,513	54,326	-19,452	-19,465	124,763	113,577
8,770	5,492	-87,395	-86,182	410,941	414,662
69,283	59,819	-106,847	-105,647	535,704	528,239
39	22	0	0	20,830	15,319

Consolidated statement of changes in assets

For the year from January 1 until December 31, 2012	Production and acquisition costs						Balance on December 31, 2012
	Balance on January 1, 2012	Revaluations	Additions from first-time consolidation	Additions	Disposals	Reclassi- fications	
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	
I. Goodwill	8,957	0	0	0	0	0	8,957
II. Intangible assets							
Concessions and industrial property rights	2,044	0	0	0	0	0	2,044
Software acquired	12,532	0	609	865	965	92	13,133
Software produced	56,031	0	0	8,365	0	0	64,396
III. Property, plant and equipment							
Operating and business equipment	91,474	0	-139	8,352	2,138	-92	97,457
Property and plant	55,249	0	0	3,229	0	0	58,478
IV. Financial assets							
Investments in affiliated companies	63	0	0	0	0	0	63
Investments in associated companies	1,926	0	0	0	667	0	1,259
Other investments	34,384	1,472	0	760	154	0	36,462
Total	262,660	1,472	470	21,571	3,924	0	282,249

For the year from January 1 until December 31, 2011	Production and acquisition costs						Balance on December 31, 2011
	Balance on January 1, 2011	Revaluations	Additions from first-time consolidation	Additions	Disposals	Reclassi- fications	
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	
I. Goodwill	8,957	0	0	0	0	0	8,957
II. Intangible assets							
Concessions and industrial property rights	2,039	0	0	5	0	0	2,044
Software acquired	9,784	0	1,870	1,027	149	0	12,532
Software produced	48,811	0	0	7,258	37	0	56,031
III. Property, plant and equipment							
Operating and business equipment	81,680	0	5,913	6,907	3,019	-7	91,474
Property and plant	43,172	0	11,936	149	8	0	55,249
IV. Financial assets							
Investments in affiliated companies	63	0	0	0	0	0	63
Investments in associated companies	1,895	0	0	31	0	0	1,926
Other investments	33,945	830	0	156	554	7	34,384
Total	230,346	830	19,719	15,533	3,768	0	262,660

Accumulated depreciation

Balance on January 1, 2012	Additions from first-time consolidation	Additions	Disposals	Balance on December 31, 2012	Balance on December 31, 2012	Balance on December 31, 2011
EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
1,270	0	0	0	1,270	7,687	7,687
1,902	0	45	0	1,947	97	142
9,372	0	1,334	964	9,742	3,391	3,160
26,921	0	4,639	0	31,560	32,836	29,110
59,260	0	6,617	1,952	63,925	33,532	32,214
18,756	0	2,478	0	21,234	37,244	36,493
0	0	0	0	0	63	63
0	0	0	0	0	1,259	1,926
18,654	0	0	95	18,559	17,903	15,730
136,135	0	15,113	3,011	148,237	134,012	126,525

Accumulated depreciation

Balance on January 1, 2011	Additions from first-time consolidation	Additions	Disposals	Balance on December 31, 2011	Balance on December 31, 2011	Balance on December 31, 2010
EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
1,270	0	0	0	1,270	7,687	7,687
1,851	0	51	0	1,902	142	188
8,064	0	1,457	149	9,372	3,160	1,720
22,216	0	4,705	0	26,921	29,110	26,595
54,946	0	7,180	2,866	59,260	32,214	26,734
16,326	0	2,432	2	18,756	36,493	26,846
0	0	0	0	0	63	63
0	0	0	0	0	1,926	1,895
18,654	0	0	0	18,654	15,730	15,291
123,327	0	15,825	3,017	136,135	126,525	107,019

X. MANAGEMENT BOARD AND SUPERVISORY BOARD

The Company's Management Board comprises:

- Mr. Marco Fuchs, Lilienthal, chairman
- Prof. Dott. Ing. h.c. Manfred Fuchs, Bremen
- Mr. Ulrich Schulz, Bremen

The Company's Supervisory Board comprises:

- Mrs. Christa Fuchs, Bremen, managing shareholder of VOLPAIA Beteiligungs-GmbH, Bremen, chairwoman
- Prof. Heinz Stoewer, St. Augustin, Professor em. Space Systems Engineering, Technical University of Delft, Netherlands, managing director of Space Associates GmbH, St. Augustin
- Mr. Robert Wethmar, Hamburg, partner at law firm Taylor Wessing, from November 7, 2012
- Prof. Dr.-Ing. Hans J. Rath, Wilstedt, Professor at the University of Bremen, deputy chairman until September 3, 2012

Offices held by members of the Company's Management Board and Supervisory Board in other supervisory boards and management bodies in 2012:

- Mr. Marco R. Fuchs, ZARM Technik AG, Bremen, member of the Supervisory Board; MT Aerospace AG, Augsburg, chairman of the Supervisory Board (Group mandate); ORBCOMM Inc. Fort Lee, NJ, United States, member of the Board of Directors (Group mandate); CGS S.p.A., Milan, Italy, member of the Board of Directors (Group mandate); Telematic Solutions S.p.A., Milan, Italy, member of the Board of Directors (Group mandate)
- Prof. Dott. Ing. h.c. Manfred Fuchs, OHB System AG, Bremen, chairman of the Supervisory Board (Group mandate); MT Aerospace AG, Augsburg, member of the Supervisory Board (Group mandate); CGS S.p.A., Milan, Italy, president of the Board of Directors (Group mandate); Telematic Solutions S.p.A., Milan, Italy, member of the Board of Directors (Group mandate)
- Mrs. Christa Fuchs, ORBCOMM Deutschland AG, Bremen, chairwoman of the Supervisory Board (Group mandate); Cosmos Space Systems AG, Bremen, chairwoman of the Supervisory Board (Group mandate); CGS S.p.A., Milan, Italy, member of the Board of Directors (Group mandate)
- Robert Wethmar, Wolff & Olsen GmbH & Co. KG, chairman of the Advisory Council
- Prof. Dr. Ing. Hans J. Rath, ZARM Technik AG, Bremen, chairman of the Supervisory Board

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

as of December 31, 2012	Shares	+/- 2012/11
Christa Fuchs, Chairwoman of the Supervisory Board	1,400,690	-100,000
Professor Heinz Stoewer, Member of the Supervisory Board	1,000	-
Marco R. Fuchs, Chief Executive Officer	3,184,796	+500,000
Professor Manfred Fuchs, Member of the Management Board	2,863,064	-900,000
Ulrich Schulz, Member of the Management Board	54	-

Exemption from the duty to disclose the financial statements of the Group companies

At their meeting of May 21, 2012, the shareholders of OHB System AG passed a resolution to adopt the exemption provisions in Section 264 (3) of the German Commercial Code with respect to disclosure of the annual financial statements. At their meeting on October 8, 2012, the shareholders of Aerotech Peissenberg GmbH & Co. KG passed a resolution to adopt the exemption provisions in Section 264b (3) of the German Commercial Code with respect to disclosure of the annual financial statements.

Related parties disclosures

Related parties as defined in IAS 24 comprise Christa Fuchs, Romana Fuchs Mayrhofer, Prof. Dott. Ing. h.c. Manfred Fuchs, Marco R. Fuchs, Ulrich Schulz, Prof. Stoewer, Prof. Rath and Robert Wethmar. The following companies are related parties:

- OHB Grundstücksgesellschaft Achterstraße GmbH & Co. KG, Bremen
- OHB Grundstücksgesellschaft, Kitzbühler Straße GmbH & Co. KG, Bremen
- OHB Grundstücksgesellschaft, Universitätsallee GmbH & Co. KG, Bremen
- OHB Grundstücksgesellschaft, Karl-Ferdinand-Braun-Straße GmbH & Co. KG, Bremen
- VOLPAIA Beteiligungs-GmbH, Bremen
- Apollo Capital Partners GmbH, Munich
- Immobiliare Gallarate S.r.l., Milan
- KT Grundstücksverwaltungs GmbH & Co. KG, Munich

Business transactions with related parties are conducted on arm's length terms. In the year under review, sales and other income of EUR 0.002 million (previous year: EUR 0.001 million) arose from transactions with related parties, while expenditure on goods and services purchased and rentals came to around EUR 5.236 million (previous year: EUR 4.318 million) at Group companies. Outstanding receivables as of the balance sheet date were valued at EUR 0.130 million (previous year: EUR 0.087

million). As of December 31, 2012, there were liabilities of EUR 0.493 million (previous year: EUR 0.481 million). References should also be made to the Company's explanations on the related parties report included in the management report in accordance with Section 312 of the German Stock Corporation Act.

Declaration of conformity with the Corporate Governance Code pursuant to Article 161 of the Joint Stock Companies Act

The Management Board and the Supervisory Board have published the declaration required pursuant to Section 161 of the German Stock Corporation Act confirming that save for a few small exceptions (see Corporate Governance on page 65) the Group already conforms to the German Corporate Governance Code and will continue to do so in the future. The declaration of conformance is available on the Internet at: <http://www.ohb.de/en/investor-relations/corporate-governance/declaration.html>

Allocation of earnings

The parent-company financial statements prepared for OHB AG pursuant to German GAAP (HGB) for the year ending December 31, 2012 carry net profit for the year of EUR 21,628,983.32. OHB AG exercises the function of an active holding company. Its main assets comprise shares in affiliated companies which were carried at a value of EUR 43.116 million on the balance-sheet date. OHB AG's equity stood at EUR 60.867 million on December 31, 2012. The Company's single-entity financial statements carry cash and cash equivalents of EUR 1.818 million. Income of EUR 14.093 million under profit transfer agreements made a particular contribution to net profit for 2012.

The Management Board will be asking the shareholders to pass a resolution providing for the Company's unappropriated surplus of EUR 21,628,983.32 for 2012 (as specified in the table entitled "Allocation of unappropriated surplus") to be allocated as follows.

The figures stated for the total dividend and the amount to be carried forward are based on the number of dividend-entitled shares as of the date of the Management Board's allocation proposal. Pursuant to Section 71b of the German Stock Corporation Act, the Company's treasury stock (80,496 shares) as of the balance sheet date is not dividend-entitled. If the number of shares held as treasury stock on the date on which the shareholders pass a resolution adopting the proposal for the allocation of the Company's unappropriated surplus is greater or smaller than on the balance sheet date, the amount payable to the shareholders will be increased or, as the case may be, decreased by the amount attributable to the difference in the number of shares. The amount to be carried forward will be adjusted accordingly. However, the distributable dividend per dividend-entitled share will change.

If necessary, the shareholders will be presented with a correspondingly modified proposal for the allocation of the Company's unappropriated surplus. The dividend distributed for 2011 came to EUR 0.35 per dividend-entitled share (17,387,600 shares), resulting in a total payout of EUR 6,085,660.00. In addition, an amount of EUR 10,138,029.65 was carried forward. The unappropriated surplus came to EUR 16,223,689.65 in 2011.

Allocation of earnings

in EUR	2012
Dividend of EUR 0.37 for each dividend entitled share (17,387,600 shares)	6,433,412.00
Vortrag auf neue Rechnung	15,195,571.32
Bilanzgewinn	21,628,983.32

Compensation

As a matter of principle, the compensation paid to the members of the Management Board comprises fixed and variable components. There is currently no provision for any share-based compensation components or compensation components with a long-term incentive. In the event of the death of a Management Board member, his surviving dependents are entitled to receive continued payment of that member's fixed compensation for a further period of six months.

The principles of the compensation system as well as the individualized compensation paid to the Management Board are described in detail in the compensation report, which forms part of the management report (page 63).

The total compensation paid to the members of the Management Board for 2012 came to EUR 1.506 million (previous year: EUR 1.309 million). The total fixed compensation paid came to EUR 0.776 million, while the variable component equaled EUR 0.683 million. In addition, the following payments were made: EUR 37,000 pursuant to a pension commitment, non-cash benefits in the form of contributions of EUR 2,900 towards endowment policies and EUR 7,500 pursuant to a jubilee bonus.

The total compensation amounted to members of the Supervisory Board for 2012 came to EUR 70,000 (previous year: EUR 40,000). Of this, EUR 30,000 were provided for the chairwoman of the Supervisory Board and 40,000 were provided for the other members of the Supervisory Board. Variable compensation components were dispensed with.

Mrs. Christa Fuchs received arms-length compensation of EUR 0.118 million (previous year: EUR 0.117 million) for her advisory services for OHB Group companies in the year under review.

Audit fees

In the period under review, the OHB Group recorded the following fees paid to BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, the auditors of its financial statements:

- Statutory audit of the annual financial statements: EUR 0.231 million (previous year: EUR 0.249 million)
- Tax consulting services: EUR 0.286 million (previous year: EUR 0.091 million)
- Other services: EUR 0.004 million (previous year: EUR 0.023 million)

Events after the reporting date

No material reportable events occurred between the balance sheet date and the date on which the annual report for 2012 was prepared.

The consolidated financial statements were approved by the Management Board for publication following the Supervisory Board's meeting of March 14, 2013.

The Management Board Bremen, March 13, 2013



Marco R. Fuchs



Prof. Dott. Ing. h.c. Manfred Fuchs



Ulrich Schulz

XI. AUDITOR'S CERTIFICATE

We have audited the consolidated financial statements prepared by the OHB AG, Bremen, comprising the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the financial year from January 1, 2012 to December 31, 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a(1) of the HGB are the responsibility of the legal representatives of the parent company. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 of the HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the financial information of those components consolidated, the scope of the

consolidation, the accounting and consolidation principles used and the significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a(1) of the HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Hamburg, March 13, 2013
BDO AG Wirtschaftsprüfungsgesellschaft

Declaration of the management Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the Group management report 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.

The Management Board
Bremen, March 13, 2013

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◀ Glossary

Calendar of events in 2013

Annual press conference and release of annual report for 2012, Bremen	March 14
Analyst conference, Frankfurt/Main	March 14
3 month report/analyst conference call	May 15
Annual general meeting, Bremen	May 23
6 month report/analyst conference call	August 14
9 month report/analyst conference call	November 11
Analyst presentation at Deutsches Eigenkapitalforum, Frankfurt/Main	November 11–13

Glossary

AIS Automatic Identification System; radio-based system for identifying the location and parameters of larger ships

ALMA Atacama Large Millimeter Array; a telescope system in the Andes comprising a total of 66 mobile antennas each with a diameter of 12 meters

AOCS Attitude and Orbit Control System

AQAP Allied Quality Assurance Publications; series of standards developed by NATA from the military standard for quality assurance systems

ARTES-7 Long-term ESA plan for developing a European communications satellite network using the latest laser communications

ASI Agenzia Spaziale Italiana; Italian space agency

ATV Automated Transfer Vehicle; unmanned space transporter for supply flights to the ISS

BAAINBw Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support (formerly BWB German Federal Office of Defense Technology and Procurement)

BDLI German Federal Aviation and Space Industry Association

BMVg German Federal Ministry of Defense

BMWi German Federal Ministry of Economics and Technology

CFRP Carbon fiber-reinforced plastic

Columbus Name of the European module of the International Space Station

CPS Chemical Propulsion System

DAX German bluechip share index, tracking the performance of the 30 largest shares listed on the Frankfurt stock exchange

DEKRA Testing body for determining the roadworthiness of vehicles, certification services, safety checks and examination of technical equipment

DLR Deutsches Zentrum für Luft- und Raumfahrt; German Space Agency

EBIT Earnings before interest and taxes

EBITDA Earnings before interest, taxes, depreciation and amortization

EBT Earnings before taxes

EDRS-C Dedicated satellite for the European Data Relay Satellite System for implementing a data network in space using optical satellite communications

EGNOS European Geostationary Navigation Overlay Service

Electra Fully electrically driven satellite based on the SmallGEO platform

EMSA European Maritime Safety Agency

EnMAP Environmental Mapping and Analysis Program; satellite for hyperspectral terrestrial observation

EOEP ESA Earth Observation Envelope Program

EPS Earnings per share

ESA European Space Agency

EU European Union

ExoMars Mars exploration mission

FOC Full operational capability; final satellite configuration for the operation of a system

Galileo The Full Operational Capability phase of the Galileo programme is managed and fully funded by the European Union. The Commission and ESA have signed a delegation agreement by which ESA acts as design and procurement agent on behalf of the Commission. The views expressed in this Press Release can in no way be taken to reflect the official opinion of the European Union and/or ESA. "Galileo" is a trademark subject to OHIM application number 002742237 by EU and ESA.

GLONASS Global satellite navigation system operated and financed by the Defense Ministry of the Russian Federation

GMES European initiative for the global monitoring for environment and security

GPS Global Positioning System

Hispasat AG1 Hispasat Advanced Generation 1

HGB German Commercial Code

IAS International Accounting Standards

IFRS International Financial Reporting Standards

IOV In-orbit verification

ISS International Space Station

LARES Laser Relativity Satellite

LRS Laser Ranging Service

M-DAX Mid-Cap-DAX, Index comprising the 50 shares following those included in the DAX ranked according to market capitalization, free float and trading volumes

MTG Meteosat Third Generation; program to develop, build and launch third-generation weather satellites

NADCAP, National Aerospace and Defense Contractors Accreditation Program; certification of special aviation, space and defense processes

NASA National Aeronautics and Space Administration; US space agency

NELS New European Launch Service, ESA study

OMNISAT Advanced Data Acquisition System, image data modem

OOV-Programm On Orbit Verification-Program

OPSIS OPTical System for Imaging and Surveillance, satellite mission operated by the Italian space agency ASI

PPS Precise Positioning Service

R+D Research and development

REACH Registration, Evaluation, Authorization of Chemicals; EU chemicals regulation

RoHS Restriction of the use of certain hazardous substances; EU directive to limit the use of certain dangerous materials in electrical and electronic devices

RPK Revenue Passenger Kilometer;

SAR-Lupe Synthetic Aperture Radar-Lupe; system of small satellites with a process for enhancing the quality of radar images

SAT-AIS Satellite-based automatic identification system

SmallGEOs Small geostationary satellites for telecommunications and multimedia applications

SPS Standard Positioning Service

SRT Sardinia Radio Telescope (diameter of 64 meters)

Telematics A system linking telecommunications and IT

TET Technology mule; core element of the national "On-Orbit Verification of New Techniques and Technologies" project

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