

2003
2004

Annual Report 2003/04

Key Figures

Burgenland Holding AG

		2003/04	2002/03	2001/02
Balance sheet total	Mio EUR	72.5	72.3	72.3
Shareholder's equity	Mio EUR	72.4	72.2	72.2
Investment income	Mio EUR	3.3	3.3	3.3
Net profit	Mio EUR	3.2	3.1	3.2

BEWAG

		2003 ¹⁾	2002/03	2001/02
Electricity sales	GWh	604.0	1,354.3	1,242.2
Sales revenues	Mio EUR	57.4	122.9	120.3
Pre-tax profit	Mio EUR	13.3	25.8	14.5
Balance sheet total	Mio EUR	376.8	368.3	356.6
Shareholder's equity ²⁾	Mio EUR	170.2	162.3	148.5

¹⁾ Short business year from April 1, 2003 to September 30, 2003

²⁾ incl. untaxed reserves

BEGAS

		2002/03	2001/02 ¹⁾	2000/01 ²⁾
Natural gas sales to households and small businesses	Mio m ³	91.4	74.6	74.7
Natural gas sales to industrial customers	Mio m ³	19.3	60.3	60.9
Natural gas sales	Mio m ³	171.8	154.9	155.1
Sales revenues	Mio EUR	47.1	49.0	51.8
Pre-tax profit	Mio EUR	4.6	4.3	5.9

¹⁾ Short business year from November 1, 2001 to September 30, 2002

²⁾ From Nov 1 to Oct 31

The Burgenland Holding Share

Performance

		2003/04	2002/03	2001/02
Average daily volume	No.	106	44	105
Total share volume	Mio EUR	1.32	0.57	1.4
Share price high	EUR	52.00	54.00	55.56
Share price low	EUR	49.01	45.00	43.00
Share price as of the last trading day in September	EUR	49.16	50.00	53.10
Market capitalization as of the last trading day in September	Mio EUR	147.5	150	159
Weighting in the WBI index as of the last trading day in September	%	0.28	0.39	0.63

Basic information

Share capital, denomination	EUR 21.81m
	3 mio individual non-par shares
Majority shareholder	EVN AG
ISIN securities identification number	AT0000640552
Ticker Symbols	BHAV.VI (Reuters); Burg AV (Bloomberg); AT;BHD (Dow Jones)
Listed	Vienna

Highlights 2003/04

Key events

- Improved investment income
- Completed harmonization of business years
- Proposal to the AGM: dividend payout of EUR 1.02/share

Key figures

Burgenland Holding AG		2003/04	2002/03	+/- %
Investment income	Mio EUR	3.3	3.3	1.9
Net profit	Mio EUR	3.2	3.1	2.6
Dividend/share	EUR	1.02 ¹⁾	1.02	-
Balance sheet total	Mio EUR	72.5	72.3	0.2
Shareholder's equity	Mio EUR	72.4	72.2	0.2

¹⁾ Proposal to the AGM

Content

Key Figures	Cover
Highlights 2003/04	1
Burgenland Holding AG	
Company profile	2
Group structure	3
Corporate bodies	4
Corporate Governance	4
Foreword	5
Management Report	6
The business environment	6
Burgenland Holding AG – 2003/04 business year	7
The Burgenland Holding Share	8
Performance of BEWAG	9
Performance of BEGAS	10
Outlook	11
Financial statements 2003/04	12
Balance sheet	12
Income statement	14
Development of fixed assets	14
Notes	16
Auditor's report	20
Proposal for the distribution of profit	20
Report of the Supervisory Board	20

Energizing the Burgenland

Burgenland Holding AG

Burgenland Holding AG was set up on January 25, 1990, as a holding company in the partial privatization process of BEGAS – Burgenländische Erdgasversorgungs-AG and Burgenländische Elektrizitätswirtschafts-AG (BEWAG).

It holds a 49% stake in the share capital of Burgenländische Elektrizitätswirtschafts-AG (BEWAG). The remaining 51% of the shares are held by the Province of Burgenland.

Similarly, Burgenland Holding AG continues to hold a 49% stake in the share capital of

BEGAS. The remaining shares are held by BEGAS-Gemeindeanteilsverwaltung AG (GAV).

The shares of Burgenland Holding AG (share capital: EUR 21.81m) are listed on the Official Market of the Vienna Stock Exchange under ISIN 00000640552. EVN AG holds a stake of 69.05% of the share capital of Burgenland Holding AG, while Wiener Stadtwerke AG Holding AG and Burgenländische Elektrizitätswirtschafts-AG (BEWAG) hold between 5% and 10% each. Verbund Austrian Hydro Power AG holds more than 10%, and no other shareholder holds more than 5%.

Burgenland Holding AG



Status as per September 30, 2004

Corporate Bodies

Supervisory Board

Chairman

Leopold Buchmayer

Vice Chairman

Peter Layr

Members

Werner Eckhardt (until April 23, 2004)

Josef Kaltenbacher (from April 23, 2004)

Franz Klein (until April 23, 2004)

Michael Obentraut

Günther Ofner (from April 23, 2004)

Werner Perz

Felix Sawerthal

Gerold Stagl

Management Board

Burkhard Hofer

Michael Gerbavits

Corporate Governance

Burgenland Holding AG has had its own Code of Corporate Governance since November 2003. Shareholders and management have thus been provided with a set of rules that offer a clear and transparent illustration of management and corporate governance at Burgenland Holding.

More specifically than the Austrian Code of Corporate Governance, which – due to the diversity of the companies concerned – has to leave some leeway in many areas, the Code of Corporate Governance in place at Burgenland Holding AG clearly and unambiguously regulates every single area addressed and thus contains no discretionary provisions whatsoever.

Burgenland Holding attaches special emphasis to the monitoring of the ongoing development of corporate governance standards in the capital markets, in order to virtually simultaneously undertake any required adjustments on the basis of legal developments and both in-house and third party practical experience. In particular, the standards foreseen in the EU's Market Abuse Directive (2003/6/EG)

are to be incorporated quickly into the Burgenland Holding Corporate Governance Code.

The entire Burgenland Holding Code of Corporate Governance can be downloaded from the Company's homepage at www.buho.at.



Foreword of the Management Board

Dear Sir or Madam, dear shareholders,

The 2003/04 business year was very satisfactory for Burgenland Holding AG, whose success is determined mainly by the dividends it receives from its stakes in BEWAG and BEGAS. The 1.9 % increase in Burgenland Holding's investment income results from the increased dividend distributed by BEGAS, which had operated a short 2001/02 business year and thus paid out a pro-rated dividend.

Restructuring of the Austrian energy market

After receiving the official authorisation from the Brussels regulators, the "Austrian Electricity Solution" partners – which, in addition to BEWAG, comprise the other members of EnergieAllianz (EVN, Energie AG, Linz AG and Wien Energie) as well as Verbundgesellschaft – worked hard to meet the stipulations required by Brussels to approve the merger. In particular, it was necessary to execute the sale of ABC sales company, in which Verbundgesellschaft had previously held a majority stake.

In the meantime, all regulatory requirements for the merger have been met, so that the actual implementation of the Austrian Electricity Solution can be finalised once individual contract items have been discussed in detail and the governing bodies of some partner companies have given their consent. Unfortunately, this has been delayed recently as a result of a completely irrelevant discussion on the market price development of electrical energy.

We are confident that – following the long authorisation phase – the "Austrian Electricity Solution" is now in a position to exploit the opportunities provided by liberalisation in the same successful manner as EconGas.

EconGas showing excellent performance

EconGas – which, using state-of-the-art infrastructure and employing only about 60 people, combines the activities of and the know-how of all partner companies in the fields of large customer gas business and gas trading – was able to increase its net profit in the second year of its existence by 30% to EUR 32.8m, with sales volume rising by 10% to 6.6bn m³. Thus, EconGas has so far succeeded in meeting the challenges posed by liberalisation and is at the same time in a good position to firmly establish itself as a major player in the Central European large customer gas business beyond Austria's borders.

Challenging environment

The European energy and infrastructure sectors are faced with a number of great challenges: The energy sector is still marked by increasing demand – for years, the demand for electricity has been rising by about 2% annually – as well as rising purchasing prices for gas, coal, and electricity. It is obviously necessary to take appropriate steps to meet this increasing demand, with Europe expected to maintain its production capacity or experience a slight decline. Against this backdrop, further price increases up to a level covering the cost of new investments are to be expected.

Another challenge the energy sector has to face is the discrepancy in implementation of EU liberalisation directives in the various member countries as well as the different degrees of realisation of European CO₂ reduction targets in the various national allocation plans.

Outlook

Against the backdrop of these fundamental changes outlined above, BEWAG and BEGAS, are faced with several challenges. Above all, there is, of course, the pivotal need to adapt to the new competitive environment. Issues in this context range from the business size

necessary for the open market via the selection of suitable partners to the innovative and customer-oriented design of the product and service range. At the same time, matters such as the responsibility for long-term supply security and quality and the positioning in the areas of generation and distribution need to be redefined.

By joining EnergieAllianz, in which BEWAG and BEGAS hold 7% and 3%, respectively, the two companies have laid the foundation for a successful future. The alliances with OMV (already set up) and Verbund (in preparation) formed by EnergieAllianz should help achieve an appropriate size on an international scale and thus make sure that the opportunities arising from market liberalization in an enlarged Europe can be exploited as fully as possible.

Michael Gerbavits

Burkhard Hofer

The economic environment

2003/04 Business Year: Global economy shows strong expansion - European economy lags behind

The international economy showed a dynamic upward trend in the period under review, which only slowly spilled over to Europe. Thus, the Eurozone showed real economic growth of no more than 0.5% in 2003, while the US managed to achieve an increase of 3.0%. However, global trade with its increases of up to 15% nominally is starting to have an effect also on the European economy, with the latest forecasts predicting a growth of 2% for the Eurozone in 2004; in the US, economic growth is expected to increase further to reach 4%.

The Austrian economy will grow by about 2% in 2004, which marks a clear increase over the 0.7% recorded in 2003. Negative influences deriving from the still weak economy of its most important trading partners Germany, Italy and Switzerland are compensated for by positive impulses from the new EU member countries, which should manage average growth rates of at least 3.75% in 2004.

Outlook for 2004/05: Continuing recovery in Europe with increasing risks for the global economy

For 2005, this economic recovery is expected to continue in Europe in general, and in Austria in particular. However, the growth risks associated with the global economy have increased, with the main factors being the high price of crude oil and the twin deficit (budget and current account) of the US. While the economy of the Eurozone is expected to grow by about 2.25%, Austria may be able to show slightly above-average GDP growth of 2.5% as a result of more robust domestic demand spurred by the most recent tax reform.

Very good development in the Burgenland

Showing a growth rate of 1.4% in 2003, the Burgenland was able to take a leading role in economic development. This dynamic environment led to the highest rate of company start-ups of 10.8% (Austria as a whole: 8.8%) and the highest increase in employment of all provinces of 1.8% (Austria: 0.0%). For the first time in years, the unemployment rate held steady at 8.6% (Austria: 7.0%).

EU Enlargement was the formal conclusion of a process of economic integration between two neighbouring regions which had been going on for many years. It remains to be seen to what extent the Burgenland's construction sector, small businesses, and the retail sector will be negatively affected by the potentially cheaper competitors in close proximity. So far, retailers in the Burgenland have profited from new customer from Hungary, as can be seen from the retail figures in 2003 and the first half of 2004. In any case, there is no reason to expect any sustained structural breakdowns in the region.

The energy sector

It goes without saying that the conditions in the energy sector have a major impact on the performance of an energy provider. For one thing, they are shaped by climatic conditions, which above all determine the energy needed for heating purposes. At the same time, the development of the level of the water supply in the rivers (hydraulicity) is of importance, as it affects the generation of electricity from hydropower and thus the cost situation of supplying electricity. Furthermore, the price of primary energy, which is determined mainly by crude oil prices, as well as the development of prices and demand in the large-scale electricity sales segment have a significant impact on performance.

The following factors were particularly relevant for the reporting period:

Temperatures at last year's level

The temperatures in the reporting period reached the levels of the previous year and were slightly above the long-term average. In terms of heating degree days – an industry measure indicating the temperature-induced energy need – the temperature in the reporting period was 1.0% higher than in the long-term average.

Electricity and gas prices at high level

In the reporting period, energy providers were faced with a significant increase in sourcing costs as a result of the increase in the price of crude oil. Thus, oil prices – which are denominated in USD/barrel – rose continuously after October 2003, showing an increase of close to 44% from October 2003 to September 2004. Coupled with the depreciation of the US dollar of no more than 4% vis-à-vis the euro, this price increase was fully felt in Europe as well.

As gas prices follow crude oil prices with a delay of three to six months, prices in this field have not yet increased to the same extent. However, given the time lag in price adjustments, gas prices will continue to increase.

Burgenland Holding AG

The 2003/04 Business Year

October 1, 2003 – September 30, 2004

Highlights

- Improved investment income
- Completed harmonization of business years
- Recommendation to the AGM: dividend payout of EUR1.02/share

Stable income situation

The performance of Burgenland Holding is determined mainly by the dividends of the two associated companies BEWAG and BEGAS.

In the 2003/04 business year, Burgenland Holding received investment income amounting to EUR 3.32m (2002/03: 3.25 m), which was composed of the BEGAS dividend of EUR 0.66m for the 2002/03 business year and the BEWAG distribution in the amount of EUR 2.65m for the short 2003 business year. In addition, Burgenland Holding received investment income of EUR 0.01m from its 0.53% stake in Wiener Börse AG.

In total, investment income was EUR 0.06m, or 1.9%, above the corresponding value for the previous year. This increase in investment income can be put down to the BEGAS dividend, which was pro-rated in line with its short business year.

Burgenland Holding AG does not engage in operations itself and employs no personnel. Research and development activities are not carried out within the company but in its associated enterprises.

Based on the net profit for 2003/04, a dividend in the amount of EUR1.02 per share, totalling EUR 3.06m, shall be distributed to the shareholders.

Stable balance sheet and capital structure

Burgenland Holding's sound capital structure remained basically unchanged compared to the 2002/03 business year. The balance sheet total stood at EUR 72.5m and was thus at the same level as in the previous year. The equity ratio stood at 99.8%, basically unchanged from the previous year.

Burgenland Holding AG

		2003/04	2002/03	+/- %
Pre-tax profit	Mio EUR	3.2	3.1	+2.6
Investment income	Mio EUR	3.3	3.3	+1.9
Net profit	Mio EUR	3.2	3.1	+2.6
Balance sheet total	Mio EUR	72.5	72.3	+0.2
Fixed assets	Mio EUR	70.3	70.3	0.0
Current assets, prepaid expenses and deferred charges	Mio EUR	2.2	2.0	+7.5
Shareholders' equity	Mio EUR	72.4	72.2	+0.2
Liabilities	Mio EUR	0.1	0.1	+4.4

The Burgenland Holding Share

In the same period, the Burgenland Holding share held steady, closing most recently at EUR 49.16, with the share having a weighting of 0.28% in the WBI as of September 30, 2004.

From October 2003 to September 2004, the international stock markets were unable to further extend their good performance at the rate shown in the first few months. As a result of economic and political uncertainties, the momentum clearly subsided and share prices started to level off in March. In the reporting period, the Dow Jones Industrial Average rose by 9.28%, while the German DAX increased 19.53%.

By comparison, Vienna's ATX managed to clearly outperform the international indices; it showed a dynamic development throughout the entire period and surged 51.11%, with the WBI also soaring 43.80%.

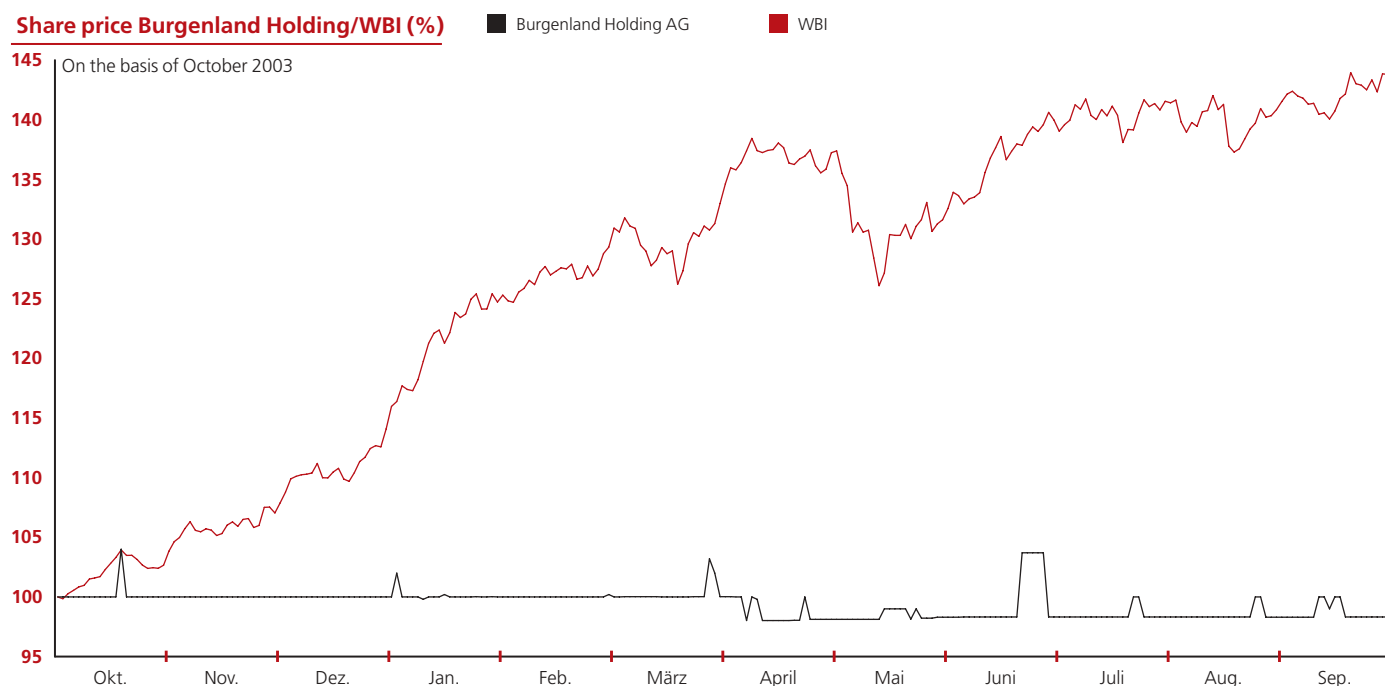
The DOW JONES EURO STOXX UTILITIES industry index, relevant for Burgenland Holding, rose 30.61%.

Investor Information

		2003/04	2002/03	2001/02
Share price at the balance sheet date	EUR	49.16	50.00	53.10
52-week high	EUR	52.00	54.00	55.56
52-week low	EUR	49.01	45.00	53.00
Market capitalization as of the balance sheet date	Mio EUR	147.5	150.0	159.3

Important dates for investors: see back of this report
Details on the share: see inside front cover

Share price Burgenland Holding/WBI (%)



BEWAG

Short 2003 business year

April 1, 2003 – September 30, 2003

Information on the performance refers to the consolidated financial statements of BEWAG AG and BEWAG Energievertrieb GmbH&Co KG by management of the balance sheet date of September 30. Due to the harmonisation of the business years within EnergieAllianz, the balance sheet date of BEWAG AG (originally March 31) was moved to September 30 to coincide with that of BEWAG Energievertrieb GmbH&Co KG.

BEWAG

		2003 short ¹⁾	2002/03 (first six months) ²⁾	+/- %
Total electricity sales	GWh	604,0	578,0	+4,5
Revenues	Mio EUR	57,4	54,8	+4,7
Pre-tax profit	Mio EUR	13,3	12,9	+3,1
Balance sheet total	Mio EUR	376,8	379,9	-0,8
Shareholders' equity ³⁾	Mio EUR	170,2	156,1	+9,0
Operating cash flow	Mio EUR	-1,2 ⁴⁾	8,9	-

¹⁾ April 1, 2003 – Sep 30, 2003 (short business year)

²⁾ April 1, 2002 – September 30, 2002 (first six months of the 2002/03 business year)

³⁾ including untaxed reserves

⁴⁾ The negative cash flow (EUR -1,2m) results from the participation in the BEWAG-Group cash pooling; had the money transferred to the cash pool been left in the fund, the cash flow would be positive at EUR12.7m.

Performance of BEWAG in the first three quarters of 2003/04

Oktober 1, 2003 – Juni 30, 2004

Information on the performance refers to the consolidated financial statements of BEWAG AG and BEWAG Energievertrieb GmbH&Co KG.

Highlights

- Increase in revenues by 7.3% (compared to the corresponding period in the previous year)
- Net price reduction as of November 1, 2003

Sales and supply

In the first three quarters of the 2003/04 business year, BEWAG's electricity supply amounted to 1,083.8 GWh, which corresponds to a decrease from the corresponding period of the previous year of about 5.1%. At 1,029.4 GWh, sales to regular-rate and special-rate customers were 4.7% lower than in the corresponding period of the previous year, which can be put down to a loss of customers to competitors. At the same time, grid sales rose by 2.7% to 1,097.8 GWh.

Sales and supply

In the short 2003 business year, BEWAG's electricity supply amounted to 633.1 GWh, which corresponds to an increase over the previous of about 2.4%. At 604.0 GWh, sales to regular-rate and special-rate customers were 4.5% higher than in the corresponding period of the previous year. In addition, 17.7 GWh of eco-electricity to other electricity providers in one-off sales are included in 2002/03 electricity sales.

Income situation

The increase in revenues compared to the corresponding period of the previous year, to EUR 103.4m, can be put down mainly to the adjustment of energy sales prices and the increase in grid volume, which helped compensate for the mandated grid price reduction effected as of November 1, 2003.

The pre-tax profit of EUR 27.0m marked an increase of EUR 7.7m over the corresponding period of the previous year, the main reason for this development being improved financial results (increase of EUR 8.5m over the corresponding period of the previous year).

Balance sheet and capital structure

As of June 30, 2004, the balance sheet total amounted to EUR 363.3 m. Shareholder's equity including untaxed reserves rose 13.8% to EUR 192.0m, resulting in an equity ratio of 52.8%. The operating cash flow amounted to EUR 7.0m (EUR 26.8m for the corresponding period of the previous year); the change in cash flow resulted primarily from the reduction in supplier and group receivables as well as higher disbursements for taxes and fiscal charges.

Income situation

The 4.7% increase in revenues to EUR 57.4m compared to the corresponding period in the previous year can be put down mainly to the increase in sales volume, which – together with recapturing customers as a result of joining EnergieAllianz – helped compensate for the grid price reduction as of April 1, 2002.

The pre-tax profit of EUR 13.3m marked an increase of 3.1% compared to the corresponding period in the previous year.

Balance sheet and capital structure

As of September 30, 2003, the balance sheet total amounted to EUR 376.8 m. Shareholder's equity including untaxed reserves rose 9.0% to EUR 170.2m, resulting in an equity ratio of 45.2%.

Outlook

At the time of printing, the final statements of BEWAG as of September 30, 2004 (2003/04 business year) were not available.

In the 2003/04 business year (October 1, 2003 – September 30, 2004), BEWAG's electricity supply will amount to 1,373.3 GWh, which corresponds to a decrease of about 5.7% compared to the previous year. At 1,302.6 GWh, sales to final customers will be roughly 5.6% lower than in the previous year. This can be put down to a loss of customers to competitors, while grid sales, compared to the corresponding period in the previous year, will rise by approximately 2.6% to 1,403.3 GWh.

BEWAG Q1-Q3

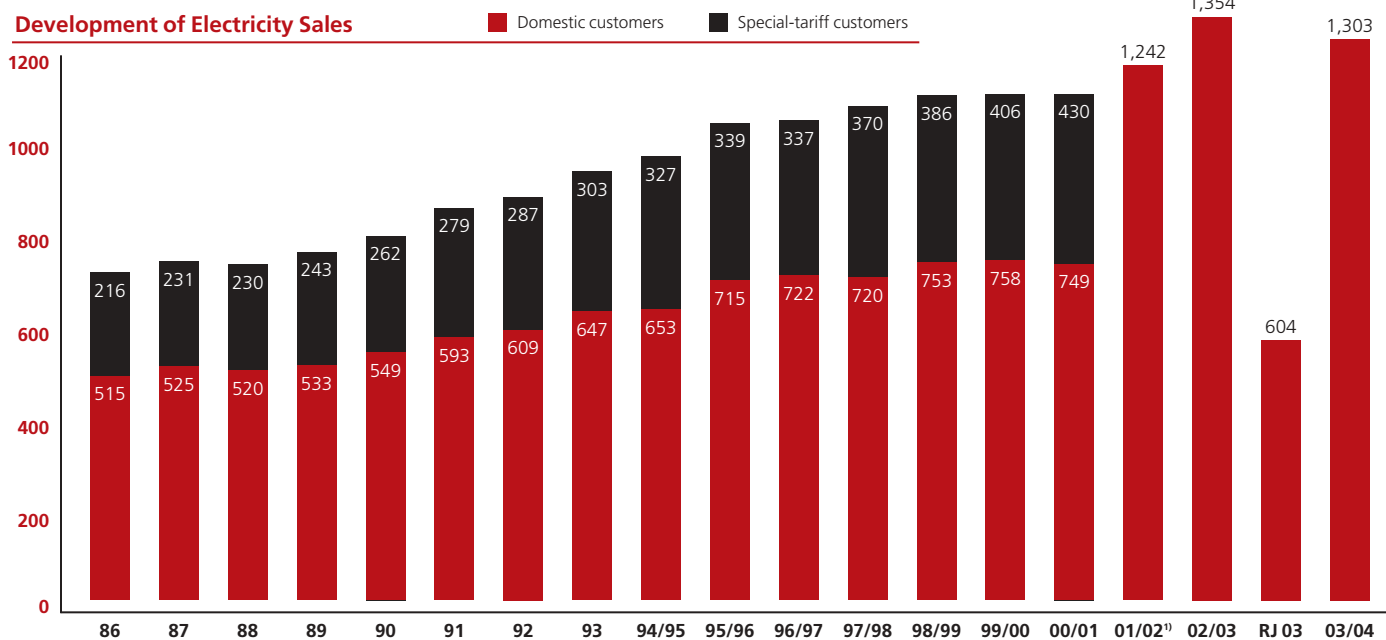
		2003/04	2002/03	+/- %
	Oct 03 – Jun 04 ¹⁾	Oct 02 – Jun 03 ²⁾		
Total electricity sales (energy)	GWh	1,029.4	1,080.7	-4.7
Grid sales (utilisation)	GWh	1,097.8	1,069.0	+2.7
Revenues	Mio EUR	103.4	96.4	+7.3
Pre-tax profit	Mio EUR	27.0	19.3	
Balance sheet total	Mio EUR	363.3	370.0	-1.8
Shareholder's equity ³⁾	Mio EUR	192.0	168.7	+13.8
Operating cash flow	Mio EUR	7.0	26.8	

¹⁾ Oct 1, 2003 – June 30, 2004 (Q1 – Q3 of the 2003/04 business year)

²⁾ Oct 1, 2002 – June 30, 2003 (Q2 & Q3 of the 2002/03 business year and Q1 of the 2003/04 business year)

³⁾ including untaxed reserves

Development of Electricity Sales



¹⁾ As of the 2001/02 business year, the distinction between regular-rate and special-rate customers is no longer made.

short 03 fy – short 2003 business year (April 1 – September 30, 2003)

BEGAS 2002/03 Business Year

Oktober 1, 2002 – September 30, 2003

Information on the performance refers to the consolidated financial statements of BEGAS, BEGAS Energievertrieb GmbH&Co KG, and BEGAS – Wärme & Service GmbH.

Natural gas sales volume

Between October 2002 and September 2003, a total of 171.8 m³ of natural gas was sold, which represents an increase of 1.7% compared to the corresponding period in the previous year. Besides the positive development in the new customer segment, the increase can be put down to the cool weather during the winter months of the 2002/03 business year.

Income situation

The BEGAS Group generated revenues of approximately EUR 47.1 m in the 2002/03 business year. As of October 1, 2002, industrial customers were transferred to the newly founded EconGas company, in which BEGAS holds a 2.6% stake.

BEGAS

		2002/03 business year	2001/02 short fy ¹⁾
Sales to households and small businesses	Mio m ³	91,4	74,6
Sales to industrial and special-rate customers	Mio m ³	19,3	80,3
Total natural gas sales grid	Mio m ³	171,8	154,9
Revenues	Mio EUR	47,1	49,0
Pre-tax profit	Mio EUR	4,6	4,3

¹⁾ November 1, 2001 – September 30, 2002

BEGAS

first three quarters of 2003/04

October 1, 2003 – June 30, 2004

Information on the performance refers to the consolidated financial statements of BEGAS, BEGAS Energievertrieb GmbH&Co KG, and BEGAS – Wärme & Service GmbH.

Highlights

- Increase in natural gas sales volume by 4.2%
- Increase in revenues by 2.7%

Natural gas sales volume

The reporting period covers the first three quarters of the 2003/04 business year.

In total, 164.8 m³ of natural gas was sold from October 2003 to June 2004. This represents an increase of 4.2% compared to

the same period in the previous year, which is due to the persistently cold weather in the reporting period.

Besides the cold weather, the increase in the large industrial customer segment – 6.6% compared to the corresponding period of the previous year – was another major factor. In addition, BEGAS managed to increase sales volume to households and small businesses by 3.1%.

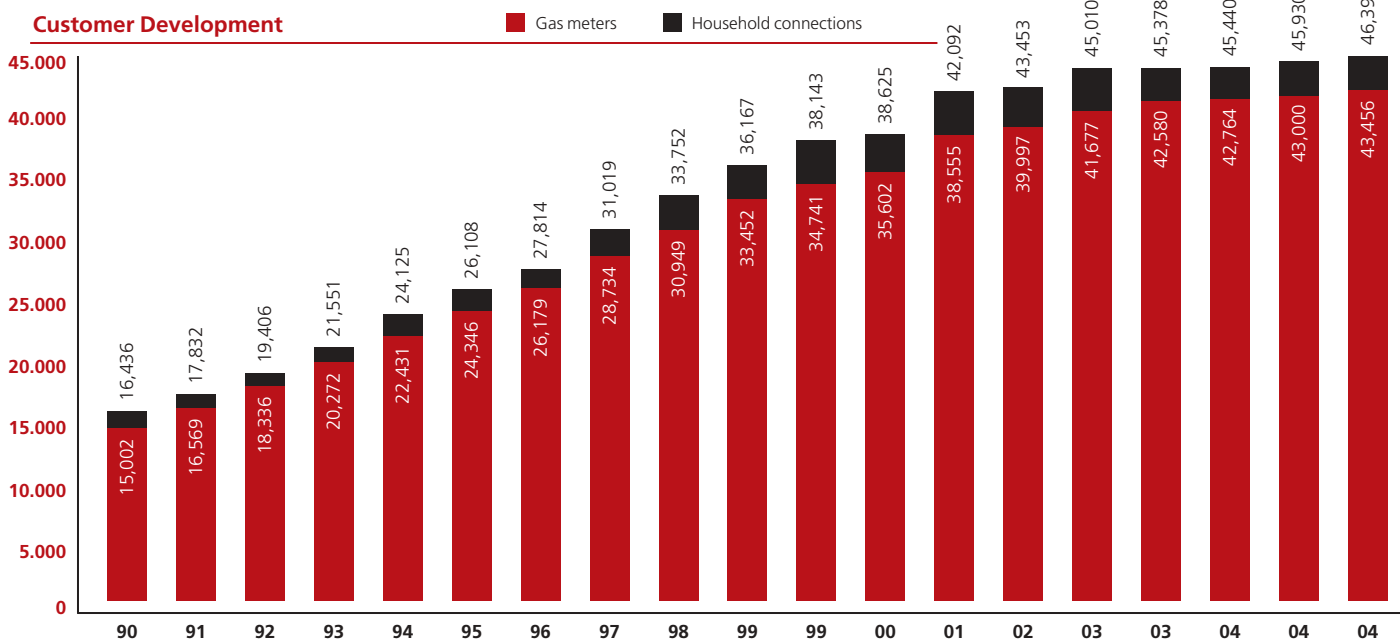
Income situation

The BEGAS Group generated revenues of approximately EUR 45.4m in the reporting period for the 2003/04 business year. This represents an increase of 2.7% over the comparable period in the previous year.

BEGAS

		2003/04 Q1 – Q3	2002/03 Q1 – Q3	+/- %
Natural gas sales to industrial customers	Mio m ³	51.9	48.7	+6.6
Natural gas sales to households and small businesses	Mio m ³	112.9	109.5	+3.1
Total natural gas sales	Mio m ³	164.8	158.2	+4.2
Revenues	Mio EUR	45.4	44.2	+2.7

Customer Development



Outlook

In spite of the difficult environment, BEWAG and BEGAS showed a satisfactory performance, and the results of Burgenland Holding AG is determined mainly by the dividends from these two stakes. While the dividend from BEWAG remains unchanged from last year even though it is based only on a short business year, the dividend from BEGAS – upon completion of its short 11-month business year – has risen to its previous level again. This is also the main reason for the higher net profit of Bur-

genland Holding AG in the 2003/04 business year compared to 2002/03. The Management Board of Burgenland Holding will recommend the distribution of an unchanged dividend of EUR1.02/share to the AGM.

Due to the harmonization of the business years within EnergieAllianz, BEWAG has also moved its balance sheet date to September 30 and has completed the short business year for the period of April 1, 2003 to September 30, 2003. BEGAS has also carried out the adaptation of its balance sheet date already.

We are confident that BEWAG and BEGAS will succeed in taking advantage of the opportunities arising from deregulation in the coming business year in spite of an increasingly difficult regulatory framework within the liberalised electricity and gas sector.

Balance Sheet

ASSETS

	Sep 30, 2004 EUR	Sep 30, 2003 TEUR
A. Fixed assets		
I. Financial assets		
1. Investments	70,348,991.10	70,345.2
	70,348,991.10	70,345.2
B. Current assets		
I. Accounts receivable and other assets		
1. Receivables from affiliated companies	2,108,000.00	1,972.3
2. Other receivables	8,728.11	6.0
	2,116,728.11	1,978.25
II. Cash at hand and with banks		
1. Cash with banks	33,447.19	21.9
	2,150,175.30	2,000.2
C. Prepaid expenses and deferred charges	894.92	0.9
Total Assets	<u>72,500,061.32</u>	<u>72,346.2</u>

LIABILITIES

	Sep 30, 2004 EUR	Sep 30, 2003 TEUR
A. Shareholders' equity		
I. Share capital	21,810,000.00	21,810.0
II. Capital reserves		
1. Committed reserves	43,676,373.33	43,676.4
III. Retained earnings		
1. Other reserves (free reserves)	3,840,000.00	3,690.0
IV. Net profit	3,062,633.91	3,062.5
Thereof profit carry-forward	2,480.38	4.3
	72,389,007.24	72,238.9
B. Provisions		
1. Tax provisions	875.00	0.9
2. Other provisions	14,375.33	14.0
	15,250.33	14.8
C. Liabilities		
1. Trade accounts payables	2,639.62	1.6
2. Liabilities to affiliated companies	93,164.13	91.0
3. Other liabilities	0.00	0.0
	95,803.75	92.6
Total Liabilities	<u>72,500,061.32</u>	<u>72,346.2</u>

Income Statement

October 1, 2003 to September 30, 2004

(Period of comparison: October 1, 2002 to September 30, 2003)

	2003/04 EUR	2003/04 EUR	2002/03 TEUR
1. Other operating income			
a) Income from the reversal of provisions		99.93	0.5
b) Other		0.00	0.6
2. Other operating expenses			
a) Taxes	-477.06		-0.6
b) Others	-144,567.12		-147.0
		-145,044.18	-147.6
3. Total 1 to 2 (operating result)		-144,944.22	-146.5
4. Income from investment		3,316,643.98	3,254.3
(From affiliated companies EUR 0.00; prev.yr. TEUR 0)			
5. Other interest and similar income		40,609.32	31.2
(From affiliated companies EUR 30,752.0; prev.yr. TEUR 37.4)			
6. Interest and similar expenses		0.00	-8.7
(Concerning affiliated companies EUR -8,652.62; prev.yr. TEUR -11.5)			
7. Total 4 to 6 (financial result)		3,357,253.30	3,276.8
8. Pre-tax profit		3,212,309.08	3,130.3
9. Taxes on income		-2,155.55	-2.2
10. Net income		3,210,153.53	3,128.2
11. Transfer to retained earnings		-150,000.00	-70.0
12. Profit carry-forward		2,480.38	4.3
13. Net profit		<u>3,062,633.91</u>	<u>3,062.5</u>

Development of Fixed Assets

EUR	Acquisition cost Oct. 1, 2003	Additions	Disposals
I. Financial assets			
Investments	70,345,170.65	3,820.45	0.00
Fixed assets - total	70,345,170.65	3,820.45	0.00

Reclassification	Acquisition cost Sep. 30, 2004	Value adjustments Sep. 30, 2004	Net book value Sep. 30, 2004	Net book value Sep. 30, 2003	Depreciation 2003/04
0.00	70,348,991.10	0.00	70,348,991.10	70,345,170.65	0.00
0.00	70,348,991.10	0.00	70,348,991.10	70,345,170.65	0.00

General Remarks

General accounting principles

The financial statements were prepared in accordance with GAAP as well as the general principle of presenting a true and fair view of the company's asset, financial, and income situations.

In preparing the financial statements, the principle of completeness was observed. Individual valuation and going-concern principles were applied in valuing individual assets and liabilities.

The principle of conservatism was taken into account by showing only those profits which had been realized as of the balance-sheet date. All potential risks and impending losses were duly recognized.

The Company is a group company under §15 AktG (Austrian Corporation Act), and as an affiliated company belongs to the reporting entity of EVN AG, Maria Enzersdorf, pursuant to § 244 HGB (Austrian Commercial Code).

Fixed assets

The financial assets were valued at acquisition cost.

Accounts receivable and other assets

Receivables and other assets were valued at face value. Foreign exchange receivables were valued at the lower of exchange rate on the date they accrued or exchange rate on the balance-sheet date. In case individual risks were recognized, the lower value was entered.

Provisions

In accordance with the principle of conservatism, the provisions contain all risks recognized at the time of preparing the balance sheet as well as all contingent liabilities at those amounts which are required under due diligence.

Liabilities

Liabilities were valued at the amount to be repaid.

Notes to the Balance Sheet and the Income Statement

Notes to the balance sheet

Fixed assets

Development

The development of the individual items under fixed assets and the breakdown of annual depreciation by individual items are shown in the fixed-asset schedule as an attachment to the notes.

Investments

Name and Registered Office	Total Stake %	Shareholder's equity (under § 224 (3) HGB) TEUR	Net income TEUR	As of
BEWAG RO: Eisenstadt	49.00	158,399.6	16,714.4	Sep. 30, 03
BEGAS RO: Eisenstadt	49.00	44,959.7	823.1	Sep. 30, 03
Wiener Börse AG RO: Wien	0.53	26,033.0	1,833.3	Dec. 31, 03

Receivables and other assets

Breakdown (Figures for previous year in parentheses)

	According to balance sheet TEUR	Those with remaining maturity of > 1 yr TEUR	Those evidenced by b/e TEUR	Lump-sum adjustment TEUR
Receivables from affiliated companies	2,108.0 (1,972.3)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Other receivables and assets	8.7 (6.0)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Current year - total	2,116.7	0.0	0.0	0.0
Previous year - total	(1,978.3)	(0.0)	(0.0)	(0.0)

The receivables from affiliated companies cover exclusively receivables from finance activities.

The accruals amounting to EUR 894.92 (prev.yr. TEUR 0.9) are made up exclusively of other deferred charges.

Shareholders' equity

Mandatory disclosure for stock corporations

The Company's share capital was reorganized following a resolution of the Tenth Annual General Meeting on July 7, 1999, and now amounts to EUR 21.81m, broken down into 3 million individual bearer shares.

At the Tenth Annual General Meeting on July 7, 1999, the management was authorized to

increase the Company's share capital by no more than a nominal value of EUR 1,816,820.85 by issuing new shares against cash by August 14, 2004, given the supervisory board's consent, and to determine the issue price and other issue conditions in cooperation with the supervisory board.

Provisions

Other provisions re composed as follows:

Item	As of Sep. 30, 2004 TEUR	As of Sep. 30, 2003 TEUR
Supervisory board reimbursement	9.2	8.9
Audit and legal counsel	5.2	5.0

Liabilities

The payables due to affiliated companies are made up exclusively of trade accounts payable.

Breakdown (Figures for previous year in parentheses)

	According to balance sheet TEUR	Those with remaining maturity of <1yr TEUR	Those with remaining maturity of >1yr TEUR
Trade accounts payable	2.6 (1.6)	2.6 (1.6)	0.0 (0.0)
Payables due to affiliated companies	93.2 (91.0)	93.2 (91.0)	0.0 (0.0)
Current year - total	95.8	95.8	0.0
Previous year - total	(92.6)	(92.6)	(0.0)

Notes to the Income Statement

The income statement was prepared in accordance with the total expenditure format.

Investment income

Income investment comprises dividend payouts of BEWAG for the short 2003 business year (TEUR 2,649.3), of BEGAS for the 2002/03 business year (TEUR 656.6), and of Wiener Börse AG for the 2003 business year (TEUR 10.8).

Other Information

Corporate bodies and employees

In the business year under review, the following persons were members of the management board:

Burkhard Hofer, Vienna
Michael Gerbavsits, Sulz

Expenses for the members of the management board amounted to EUR 1,689.86 for the reporting period (prev.yr.: TEUR 1.4).

In the business year under review, the following persons were members of the supervisory board:

Supervisory board

Leopold Buchmayer (Chairman)
Peter Layr (Vice Chairman)
Werner Eckhardt (until April 23, 2004)
Josef Kaltenbacher (from April 23, 2004)
Franz Klein (until April 23, 2004)
Michael Obentraut
Günther Ofner (from April 23, 2004)
Werner Perz
Felix Sawerthal
Gerold Stagl

The members of the supervisory board received compensation in the amount of TEUR 11.7 (prev.yr.: TEUR 11.6).
The Company does not have employees.

Other remarks

The Company is a group company under § 15 AktG (Austrian Corporation Act), and as an affiliated company belongs to the reporting entity of EVN AG, Maria Enzersdorf, pursuant to § 244 HGB (Austrian Commercial Code).

Eisenstadt, October 14, 2004

Management Board



Michael Gerbavsits



Burkhard Hofer

Auditor's report

Pursuant to the current provisions of the Austrian Commercial Code (HGB), we have audited the financial statements of Burgenland Holding Aktiengesellschaft, 7000 Eisenstadt, Marktstraße 3, as of September 30, 2004, including accounting procedures. Preparation and content of these financial statements are the responsibility of the duly authorized representatives of the company. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with applicable Austrian law and generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We are satisfied that our audit has provided a sufficiently sound basis for our audit opinion.

Based on the audit we have conducted, we hereby confer the following unqualified audit opinion pursuant to Article 274 par. 1 Austrian Commercial Code (HGB):

"After having conducted our due audit of the Financial Statements, we hereby certify that they are in compliance with statutory requirements. The Financial Statements present a true and fair view of the company's assets, liabilities, financial position, and profit or loss in conformity with generally accepted accounting principles. The Management Report is consistent with the Financial Statements."

Vienna, October 22, 2004

KPMG AUSTRIA WIRTSCHAFTS-
TREUHAND GESELLSCHAFT mbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft


Johann Perthold m.p.
Maximilian Schreyvogel m.p.
Auditors and Tax Consultants

Proposal for the distribution of profit

The management board proposes the distribution of a dividend of EUR 1.02 per share, totalling EUR 3.06 m, from the net profit amounting to EUR 3,062,633.91 and carrying forward the remainder of EUR 2,633.91.

Eisenstadt, October 2004

Management Board



Michael Gerbavits



Burkhard Hofer

Report of the Supervisory Board

The supervisory board has fulfilled all relevant obligations by law and under the Company's by-laws.

The management board provided continuous information on the state of affairs and the Company's economic situation. The financial statements including the relevant notes were audited by KPMG Burgenland Wirtschaftstreuhand Gesellschaft mbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, which provided a written report of the audit and conferred its unqualified opinion.

The supervisory board has approved the financial statements and relevant notes presented by the management board and has agreed to the management board's recommendation concerning the application of profits. Therefore, the financial statements as of September 30, 2004, are deemed completed pursuant to § 125 para 2 Corporation Act (AktG).

In conclusion, the supervisory board would like to express its gratefulness to the management board for its efforts in the 2003/04 business year.

Eisenstadt, December 6, 2004

On behalf of the supervisory board
The Chairman



Leopold Buchmayer

Burgenland Holding AG

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Financial Calendar 2003/04¹⁾

Results 1st quarter	February 24, 2005
AGM	March 31, 2005
Ex-dividend date	April 5, 2005
Dividend payout	April 8, 2005
Results first six months	May 24, 2005
Results 3rd quarter	August 25, 2005
Results for the full year 2003/04	December 15, 2005

¹⁾ preliminary

04
05