

Key Figures

Burgenland Holding AG

		2005/06	2004/05	2003/04	2002/03
Balance sheet total	m EUR	75.6	72.7	72.5	72.3
Shareholders' equity	m EUR	75.4	72.5	72.4	72.2
Investment income	m EUR	6.1	3.3	3.3	3.3
Net profit	m EUR	6.0	3.2	3.2	3.1

BEWAG

		2004/05	2003/04	2003 ^{1) 2)}	2002/03 ²⁾
Total electricity sales	GWh	1,203.4	1,302.6	604.0	1,354.3
Revenues	m EUR	210.7	194.6	57.4	122.9
Pre-tax profit	m EUR	32.1	36.9	13.3	25.8
Balance sheet total	m EUR	594.2	576.7	376.8	368.3
Shareholders' equity ³⁾	m EUR	219.8	201.2	170.2	162.3

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

²⁾ The figures refer to the consolidated financial statements of BEWAG AG and BEWAG Energievertrieb GmbH & Co KG

³⁾ incl. untaxed reserves

BEGAS

		2005/06 ¹⁾	2004/05	2003/04	2002/03
Total natural gas sales	m m ³	197.3	194.2	192.9	171.8
Revenues	m EUR	63	54.5	54.7	47.1
Pre-tax profit	m EUR	9.5	11.6	14.6	4.6
Balance sheet total ³⁾	m EUR	219.3	212.7	196.5	183.3
Shareholders' equity ²⁾³⁾	m EUR	120.9	104.3	94.8	86.2

¹⁾ Forecasted unaudited consolidated figures

²⁾ incl. untaxed reserves/and construction cost subsidies

³⁾ Balance sheet total and shareholders' equity pursuant to IFRS as from the 2004/05 business year

The Burgenland Holding Share

Basic information

Share capital, denomination	EUR 21.81m
	3 m individual no-par shares
Majority shareholder	EVN AG
ISIN securities identification number	AT 0000640552
Ticker Symbols	BHAV.VI (Reuters)
	BURG AV (Bloomberg)
	AT; BHD (Dow Jones)
Listed	Vienna

Annual Report 2005/06

October 1, 2005 – September 30, 2006

Highlights 2005/06

Key events

- Investment income and results for the full year significantly above previous year's level
- Recommendation to the AGM: dividend payout of EUR1.9/share

In Zahlen

Burgenland Holding AG

		2005/06	2004/05	Changes +/- %
Investment income	m EUR	6.1	3.3	85.4
Net income	m EUR	6.0	3.2	82.4
Dividend/share	EUR	1.90 ¹⁾	1.02 ¹⁾	–
Balance sheet total	m EUR	75.6	72.7	4.0
Shareholders' equity	m EUR	75.4	72.5	4.0

¹⁾ Proposal to the AGM

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Energising the Burgenland

Burgenland Holding AG

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

The shares of Burgenland Holding AG (share capital: EUR21.81m) are listed on the Official Market of the Vienna Stock Exchange under ISIN 00000640552. EVN AG holds a stake of 69.60 % of the share capital stock 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 continues to hold a 49% interest in the share capital of Burgenländische Elektrizitätswirtschafts-AG (BEWAG) in the amount of EUR34.88m. The remaining 51% of the shares are held by the Province of Burgenland. Burgenland Holding AG also continues to hold a 49% stake in the share capital of BEGAS amounting to EUR7.44m. The remaining shares are held by BEGAS-Gemeindeanteilsverwaltung AG (GAV). The shareholders in GAV are exclusively the municipalities in the Burgenland supplied with natural gas.

Very favourable development

Dear Sir or Madam, dear shareholders,

Burgenland Holding showed a very positive development in the 2005/06 business year. Due to higher dividends from all our associated companies, it was possible to raise our net income from EUR3.216m in 04/05 to EUR5.965m for this business year, representing an increase of no less than 85.5%. Accordingly, the Management will propose to the AGM distributing a significantly higher dividend for the current business year in the amount of EUR1.9/share (previous year: EUR1.02/share).

Even though supply costs for electricity and gas have risen sharply, BEWAG and BEGAS performed well in the past business year. Above all, it was the diversification of business activities towards the generation of eco-electricity that had a positive impact, with roughly 500 GWh of electricity from wind and biomass plants generated last year. The resulting profits have contributed essentially to the result of the Group, and of BEWAG in particular, and should continue to be a major pillar of profit development in the years to come. Above all, this also has to be seen against the backdrop of a further increase in electricity prices to be expected in the international markets. Thus, for example, the biomass power plant put on line this year in Heiligenkreuz in the southern Burgenland is one of the largest of its kind in Austria.

Given the large share of the eco-electricity component in revenue and income of BEWAG and BEGAS and the further offensive strategy of the two companies pursuing the expansion of biomass and wind power activities beyond Austria's borders, Burgenland Holding AG has now become one of the few "eco-electricity shares" at the Vienna Stock Exchange.



Günther Ofner



Michael Gerbavits

It will be essential for the further successful development of the associated companies to realise a more intricate integration of the electricity business within the planned "Austrian Electricity Solution" as soon as possible. This should be effected within the next few months by making use of the existing regulatory approval in order to allow the positive developments witnessed in the gas sector with ECON-GAS to be realised also in the electricity sector.

The additional grid price reductions in the electricity and gas sectors pose a massive threat to the future development of supply security. It is only through further rationalisation and cost reductions in the maintenance and investment areas that it is still possible for the moment to keep profit decreases under control.

Outlook

Against the backdrop of the 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 liberalisation in an enlarged Europe can be exploited as fully as possible.

A handwritten signature in black ink, appearing to read 'Günther Ofner'.

Günther Ofner

A handwritten signature in black ink, appearing to read 'Michael Gerbavits'.

Michael Gerbavits

Corporate Bodies

Supervisory Board

Chairman

Leopold Buchmayer

Vice CEO Raiffeisenlandesbank Burgenland

Vice Chairman

Peter Layr

Member of Executive Board EVN AG

Members

Michael Amerer

Member of Executive Board

VERBUND-Austrian Hydro Power AG

Burkhard Hofer

Speaker of Executive Board EVN AG

Josef Kaltenbacher

Branch manager BAWAG Eisenstadt

Michael Obentraut

Member of Executive Board

Wiener Stadtwerke Holding AG

Werner Perz

Managing Director EnergieAllianz Austria

G.m.b.H.

Felix Sawerthal

Head of Secretariat General and

Corporate Affairs, EVN AG

Gerold Stagl

Regional Manager Wiener Städtische

Versicherung AG

Management Board

Günther Ofner

Michael Gerbavits

Corporate Governance

Burgenland Holding is an Austrian public limited company listed on the Vienna Stock Exchange. For this reason, in addition to Austrian law, in particular stock corporation and capital market laws, legal regulations applying to the right of co-determination on the part of employees, as well as the company by-laws, the framework for the company's corporate governance policies is the Austrian Corporate Governance Code.

The Executive Board and the Supervisory Board are committed to abide by the principles of good corporate governance. Both domestic and international investors expect the management and control of Burgenland Holding

to be carried out in a responsible and transparent manner, oriented to ensuring the well-being of the company on a long-term basis. In this regard, Burgenland Holding decided to fully comply with the Austrian Corporate Governance Code, effective January 1, 2007. Beforehand, Burgenland Holding had already committed itself to explicitly adhere to the goals laid down in the Austrian Corporate Governance Code, and to fulfil most of its guidelines.

More information and the deviations to the Austrian Corporate Governance Code can be downloaded from the Company's homepage at www.buho.at

Burgenland Holding AG

49 % BEWAG

(Burgenländische Elektrizitätswirtschafts-AG)

100 % BEWAG Netz GmbH

100 % BEWAG Energievertrieb G.m.b.H. & Co. KG

100 % Pannon Wind Kft (Budapest, Ungarn)

100 % Austrian Wind Power G.m.b.H. (AWP)

100 % WPPM s.r.o. (Brünn, Tschechien)

100 % EZH
Energiezentrale Heiligenkreuz Ges.m.b.H.

55.2 % EPZ Energieprojekt Zurndorf G.m.b.H.

100 % B.net Burgenland Telekom GmbH

50 % C.E.M.P. d.o.o. (Zagreb, Kroatien)

100 % B.net Hungaria Kft. (Sopron, Ungarn)

50 % Pama-Gols

Windkraftanlagenbetriebs GmbH

100 % SIM Kft (Fertőszentmiklós, Ungarn)

50 % Pama Gols

Windkraftanlagenbetriebs GmbH & Co KG

100 % Dataservice G.m.b.H.

100 % Kabel-TV Güssing G.m.b.H.

50 % VETRNA ENERGIE MORAVA S.R.O.

(Brünn, Tschechien)

100 % BEWAG Geoservice G.m.b.H.

50 % SWP (Bratislava, Slowakei)

100 % Konzernclearing G.m.b.H.

50 % Polska Sila Wiatru in Gründung

(Warschau, Polen)

100 % PEW
Pinkafelder Elektrizitäts-Werke G.m.b.H.

100 % AIRAM Kft. (Tatabanya, Ungarn)

100 % BEWAG Licht & Service G.m.b.H.

67.5 % BECOM Electronics G.m.b.H.

50 % BEST Energy vertriebsgmbH

50 % Biomassekraftwerk
Heiligenkreuz Betriebs G.m.b.H.

33.33 % EBRZ
Erstes Burgenländ. Rechenzentrum G.m.b.H.

7 % ENERGIEALLIANZ Austria GmbH

7 % e&t
Energie Handelsgesellschaft m.b.H.

4.57 % Vereinigte Telekom Österreich
Beteiligungs G.m.b.H.

2.52 % APCS
Power Clearing and Settlement AG

1.26 % CISMO
Clearing Integrated Services and Market
Operations G.m.b.H.

49 % BEGAS

(Burgenländische Erdgasversorgungs-AG)

100% IGM

Industrie- und Gewerbepark Mittelburgenland
Erwerbs-, Erschließungs- und Errichtungs-
Gesellschaft m.b.H.

100 % BEGAS

Kraftwerk G.m.b.H.

50 % Biomassekraftwerk Heiligenkreuz
Betriebs G.m.b.H.

100 % BEGAS

Handel G.m.b.H.

100 % BEGAS

Energievertriebs G.m.b.H. & Co. KG

100 % BEGAS

Wärme & Service G.m.b.H.

49 % Energiewerk G.m.b.H.

50% Best Energy VertriebsgmbH

3 % EnergieAllianz Austria G.m.b.H.

3 % e&t Energie Handelsgesellschaft m.b.H.

2.6 % EconGas G.m.b.H.

1 % Biomasse Kraftwerk Güssing G.m.b.H. &
Co. KG

1 % Austria Ferngas Gesellschaft m.b.H.
i. Liquidation

0.44 % AGCS
Gas Clearing and Settlement AG

0.22 % CISMO G.m.b.H.

Performance of BEWAG in the first three quarters of 2005/06

October 1, 2005 – June 30, 2006

The information on performance refers to the interim group accounts of BEWAG's 2005/06 business year as of June 30, 2006. For comparison, we present the figures from the interim group accounts as of June 30, 2005.

The comparability of the figures is limited to the extent that Geoservice GmbH and AIRAM kft have been newly integrated into the consolidation circle.

Furthermore, the consolidation circle has changed to the extent that – with retroactive effect as of October 1, 2005 - AWP GmbH was amalgamated with BVB GmbH and Windlicht GmbH, which resulted also in AWP Projektentwicklungs GmbH & Co KG, AWP Betriebs GmbH & Co KG and AWP UW Neusiedl GmbH & Co KG now being a part of AWP GmbH. In addition, Konzernclearing GmbH & Co KG and Dataservice GmbH & Co KG were absorbed into BVV GmbH (now: Konzernclearing GmbH). Dataservice GmbH, newly established in December 2005, is included in the consolidation circle in the current business year for the first time. Subsequently, with retroactive effect as of October 1, 2005, the TV and Internet distribution network of B.net Burgenland Telekom GmbH was spun off to Dataservice GmbH.

Highlights

- Spin-off of BEWAG Netz GmbH as of October 1, 2005
- Leaner Group structure as of Oct 1, 2005, by combining wind activities in AWP GmbH and changing the structure of Konzernclearing
- Spin-off of B.net distribution network as of October 1, 2005

Electricity sales and supply

In the first three quarters of the 2005/06 business year, BEWAG's electricity supply amounted to 1,022.9GWh, and electricity sales to final customers by BEWAG Energievertrieb GmbH & Co KG were 962.3GWh, around 1.0 % above the volume in the corresponding period of the previous year (October 1, 2004 – June 30, 2005).

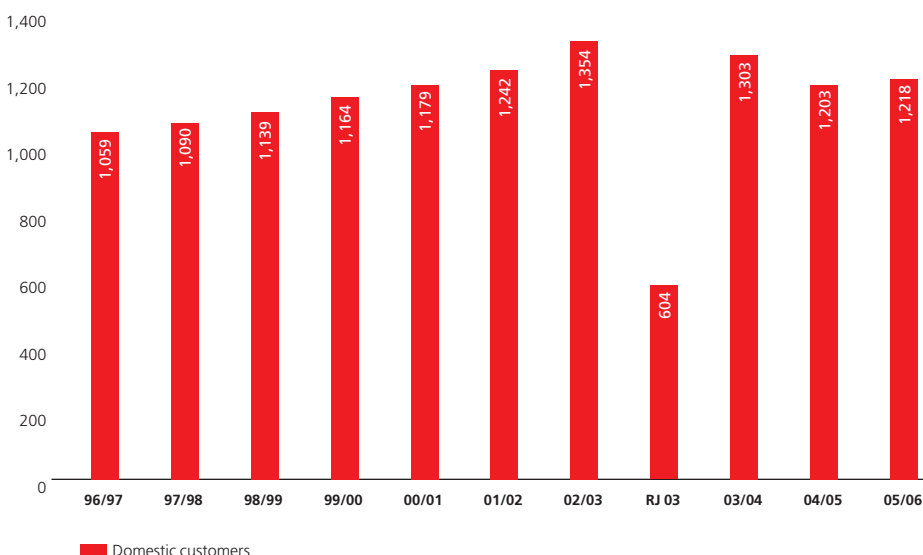
This increase in volume and price adjustments led to a revenue increase of BEWAG Energievertrieb GmbH & Co KG of about 2.1% compared to the same period last year, to a total of EUR45.8m. Compared to the first three quarters of the previous business year, grid sales rose approximately 4.8 % to 1,175.8GWh. This can be put down to an increase in electricity sales of BEWAG Energievertrieb GmbH & Co KG as well as a rise in electricity purchased by customers supplied by third parties.

Income situation

The revenues of the BEWAG Group amount to about EUR164.2 Mio EUR, virtually unchanged from the previous year. This is mainly due to increased revenues of BEWAG Energievertrieb GmbH & Co KG and B.net Burgenland Telekom GmbH on the one hand, and reduced revenues of the AWP Group due to slightly lower winds than expected and reduced grid sales on the other.

Pre-tax profit amounted to EUR14.1m, or EUR13.8m less than in the previous year. This change is essentially due to lower grid sales as a result of reduced grid rates (EUR2.1m), rising expenditure for third-party electricity supply (EUR4.0m), a lower contribution by the AWP Group due to a decline in wind activity (EUR3.8m), as well as payouts from a special fund effected in the third quarter already (EUR3.8m), but affecting profits only in the fourth quarter.

Development of electricity sales



Financial situation

The decline in operating cash flow from EUR49.6m to EUR34.9m was caused mainly by the decrease in pre-tax profit in the amount of EUR13.8m.

Balance sheet and capital structure

As of June 30, 2006, the balance sheet total amounted to EUR583.8m. The share of fixed assets (around EUR515.4m) in total assets is 88.8%. Shareholder's equity including untaxed reserves rose 0.8% to EUR219.5m, resulting in an equity ratio of 37.6%.

Outlook

At the time of printing, the final statements of BEWAG as of September 30, 2006 (2005/06 business year) were not available. The following table therefore shows expected

figures for September 30, 2006, based on the interim accounts as of June 30, 2006. Like in the third quarter, the decline in pre-tax profit and operating cash flow is mainly due to a lower contribution by the AWP Group as a result of lower wind activities on the one hand, and BEWAG Netz GmbH owing to lower grid sales resulting from reduced grid rates on the other hand.

In the fourth quarter of the 2005/06 business year, the remaining shares of BECOM Electronics GmbH were acquired, making it a wholly owned subsidiary of BEWAG. Furthermore, 50% of the shares in Biomassekraftwerk Heiligenkreuz Betriebs GmbH were acquired. In the fourth quarter of the reporting period, Dataservice GmbH purchased 100% of the shares in Kabel-TV Güssing GmbH. In addition, AWP GmbH sold 50% of the shares in its subsidiary CEMP d.o.o., which develops wind park projects in Croatia, to a strategic investor.

BEWAG Group

		2005/06	2004/05
		Q1-3	Q1-3
Electricity sales	GWh	962.3	952.5
Grid sales	GWh	1,175.8	1,122.0
Revenues	EUR m	164.2	164.9
Pre-tax profit	EUR m	14.1	27.9
Balance sheet total	EUR m	583.8	582.3
Shareholders' equity ¹⁾	EUR m	219.5	217.7
Operating cash flow	EUR m	34.9	49.6

¹⁾ Shareholders' equity incl. untaxed reserves

BEGAS – 2005/06

Business Year

October 1, 2005 – September 30, 2006

Information on the performance refers to the forecast financial statements of BEGAS, BEGAS Energievertrieb GmbH&Co KG, and BEGAS – Wärme & Service GmbH consolidated by management (no consolidation under the Commercial Code).

Highlights

- Increase in revenues of 15.8%
- Pre-tax profits at last year's level

Natural gas sales volume

In total, 197.3m³ of natural gas was sold from October 2005 to September 2006. This

represents an increase in the natural gas sales volume of 1.6% compared to the same period of the previous year and can be put down mainly to a net gain of 1,091 new customers.

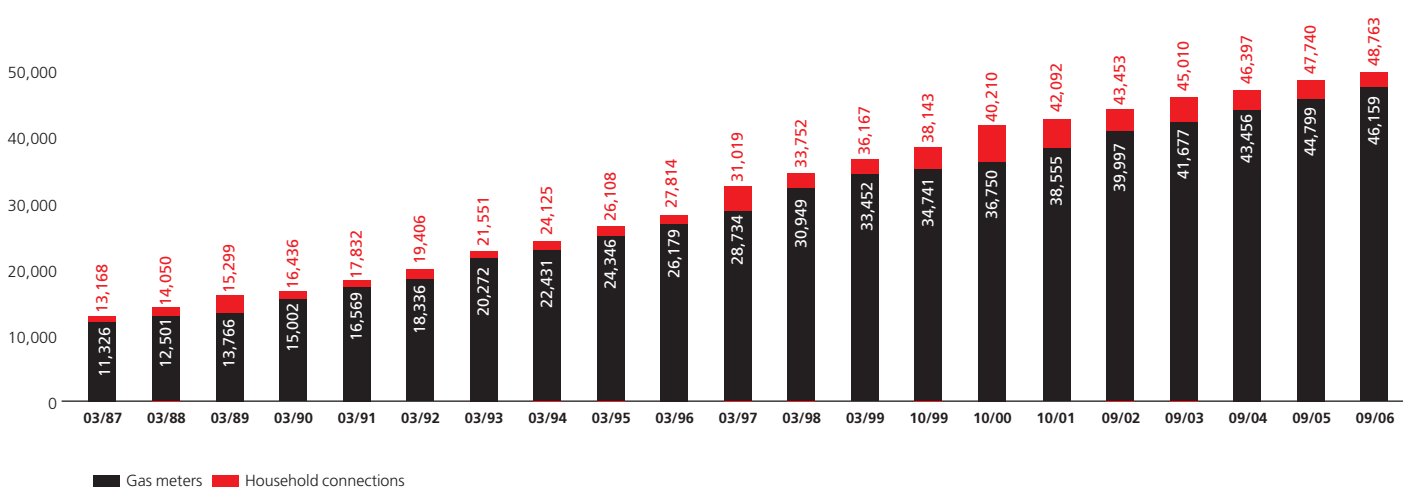
Income situation

The BEGAS Group generated revenues of approximately EUR63.0m in the reporting period for the 2005/06 business year. Besides an increase in sales volume, the increase in revenues of 15.8% was caused by rising purchasing prices in the energy sector and the resulting rate adjustment. In spite of the tense situation in the natural gas market, it was possible to maintain pre-tax profit roughly at last year's level by cutting costs in administration and operations.

BEGAS Group

		2005/06	2004/05	Change +/- %
Total natural gas sales grid	m m ³	197.3	194.2	1.6
Revenues	m EUR	63.0	54.5	15.8
Pre-tax profit	m EUR	9.5	9.9	-4.0

Customer Development



The Company's environment

The legal environment

Market opening – unbundling

Liberalisation of the European electricity and gas markets also provides for an unbundling of the grid sector from the other functions of energy supply. To this effect, electricity companies with more than 100,000 customers were obliged to spin off their electricity grid sectors by January 1, 2006. The EU requires an analogous unbundling for the gas sector.

Grid rates – new incentive model provides more stability

In early 2006, a new, multi-year incentive regulation model was introduced for electricity grid rates. Its vital core element is a national benchmarking of Austrian grid operators. The new system generally provides for an adjustment for inflation, which is, however, reduced by an increase in productivity by 1.95% per year expected of the Austrian grid operators as well as a company-specific increase in efficiency of up to 3.5% per year.

Economic environment

2006/07: Sound Momentum

The euro area showed a marked increase in economic activity in the first half of 2006, which was due mainly to an increase in investment demand. As a whole, current forecasts expect GDP for the euro area to increase by 2.5%. The economy of the EU-25 also shows a strong momentum in line with the euro area. However, this growth is expected to soften slightly at the turn of 2006/07. This can be put down, above all, to a slower expansion of the world economy as a whole and rising interest rates. Against this background,

growth for 2007 is currently forecasted at around 2%. This would, however, be contingent upon the downturn in the US or in Germany not being any more pronounced than currently expected and the euro not appreciating further vis-à-vis the dollar. While the high oil prices have hardly had an impact on the global economy so far, a strong and sustained increase in oil prices might lead to a cooling down worldwide.

Austria: Economic upswing and robust growth

The Austrian economy has been profiting from the favourable economic climate worldwide since mid-2005 and posted a 3.1% growth rate in the first half of 2006. At around 2%, private consumption grew more strongly than in previous years, but lagged behind GDP growth. Invest demand showed far more momentum, with a growth rate of about 5% expected for 2006. Still, the most important driver of growth continues to be exports with an expected expansion by approximately 10%.

In view of these favourable figures, the Austrian business research institutes (WIFO and IHS) even raised their forecasts for the year by about half a percentage point in the third quarter of 2006. Thus, the Austrian economy is expected to grow by just above 3% overall in 2006. Even though energy prices were high and the economy developed faster than expected, inflation remained subdued at roughly 1.5%. Due to the economic upswing, also the labour market showed positive tendencies. For 2006, the number of employed persons is expected to rise by 1.6%, which would be the strongest increase since the early 1990s.

In 2007, however, Austria's economic growth will likely soften a bit due to one-off effects in Germany and the weakening of impulses from foreign trade. This applies above all to Austrian

exports, which will grow by only about 7% in 2007. This slight decrease currently suggests a growth rate of GDP of about 2.3 - 2.5% for 2007. The inflation rate, however, will remain at the 2006 level, and the forecasts for the labour market are still favourable showing an increase in the number of employed persons by 1.1%.

Thus, Austria's economic growth will continue to outpace that of the euro area in 2006 and 2007.

The energy sector

It is a matter of fact that the conditions in the energy sector have a major impact on the performance of an energy provider. Of the various factors working in different ways, the following had an impact on the results for the 2005/06 business year:

- In spite of a slight devaluation of the US dollar against the euro, the sharp rise in the price of crude oil led to a further strong increase in the prices of primary energy.
- Wholesale electricity prices also continued to show an upward trend.
- The prices for CO₂ emission certificates almost doubled compared to last year.
- Temperatures were lower than last year.

The price of Brent North Sea Oil, which is relevant for Europe, rose by about a third on average in the 2005/06 business year, at some point even breaking the USD75 barrier. At the same time, the US dollar lost about 5%, so that in the end the oil price in terms of euros was about 25% higher than in the previous year. The purchasing prices of gas also rose significantly in the reporting period, even though the contractual arrangement results in a delayed effect compared to the oil price. By contrast, the price of coal only showed a slight increase over the previous year.

Burgenland Holding AG

The 2005/06 Business Year

1. October 1, 2005 – September 30, 2006

Highlights

- Investment income and results for the full year significantly above previous year's level
- Recommendation to the AGM: dividend payout of EUR1.90/share

Very favourable income situation

Burgenland Holding AG showed a very favourable development in the 2005/06 business year. The Company's performance is determined mainly by the dividends from its investments in BEWAG and BEGAS. In the respective AGMs of BEWAG and BEGAS, increased dividend payouts were resolved. The BEWAG AGM decided to double the payout, resulting in a total dividend payout to Burgen-

land Holding AG of EUR 6,027,725.60. The dividend of BEGAS rose EUR 72,972.56 to EUR 729,725.60, which means that the investment income of Burgenland Holding AG in the reporting period rose by 82.4 %, almost double the amount of the previous period.

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 2005/06, a dividend in the amount of EUR1.90 per share, totalling EUR5.70m, is to be distributed to the shareholders.

Stable balance sheet and capital structure

Due to the increase in dividend payouts from the associated companies, the balance sheet total rose to EUR75.6m, an increase of 4.0 % compared to the balance sheet date of September 30, 2005. The equity ratio remained unchanged at 99.8%.

Burgenland Holding AG

		2005/06	2004/05	+/- %
Pre-tax profit	m EUR	6.0	3.2	85.4
Investment income	m EUR	6.1	3.3	82.4
Net income	m EUR	6.0	3.2	85.5
Balance sheet total	m EUR	75.6	72.7	4.0
Fixed assets	m EUR	70.5	70.5	–
Current assets, prepaid expenses and deferred charges	m EUR	5.1	2.2	131.9
Shareholders' equity	m EUR	75.5	72.6	4.0
Debt capital	m EUR	0.1	0.1	2.0

The Burgenland Holding Share

The stock markets generally continued their positive development during the reporting period from October 2005 to September 2006. Despite a rather strong correction in May 2006, the stock market indices, especially in Europe, managed to show positive growth rates. The German DAX share index - as the most important index in Europe - posted an increase by a remarkable 19%. In the same period, the Dow Jones rose by 10.5%, steadily moving towards a new all-time high. It will be of major significance how tight the monetary policy of the FED will be in the future. Recent signs, however, suggest that further interest

rate increases in the US are becoming less and less likely.

Vienna's ATX was hit far harder by the correction in May than other indices, but still managed an increase of 11.9% in the reporting period, with the WBI even rising by 15.3%.

The DOW JONES EURO STOXX UTILITIES industry index, relevant for Burgenland Holding, outperformed most other indices and posted an increase of 30.4%.

Following months of stagnating at a stable level, the share of Burgenland Holding performed very well since January 2006 and managed a rise of 38.3%. As of the end of September 2006, the share price stood at EUR67.98. As of September 30, 2006, the share had a 0.16% weighting in the WBI.

Risk profile

Due to the constant growth of its investments, Burgenland Holding AG is increasing its focus on equity risk. In organising the Group's risk management, management accounting for investments is thus given a special role. To this effect, risk control as a separate area, adapted to the Group's risk structures, is in charge of risk management of investments.

Outlook

Based on the sustained and positive performance of the major investments, constant dividend income is to be expected.

Investor Information

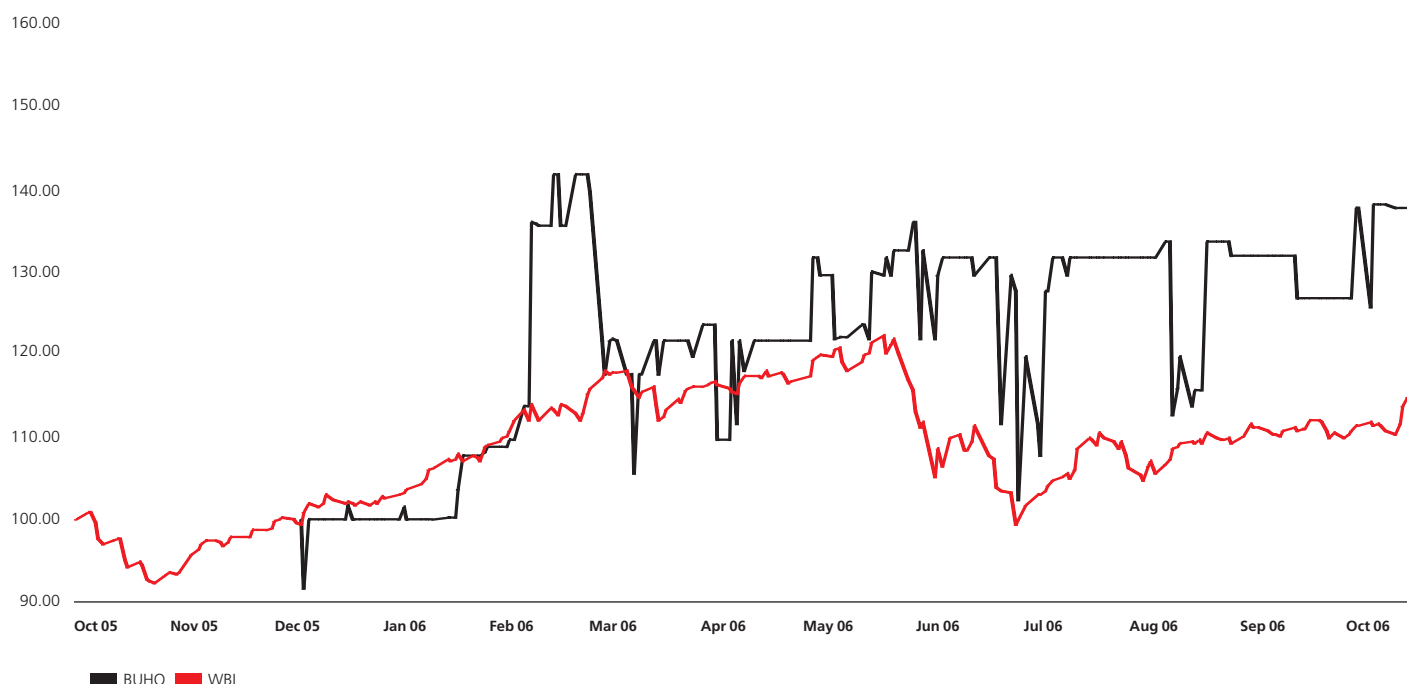
Performance

	2005/2006	2004/05	2003/04
Average daily volume	No. 93	78	106
Total share volume	m EUR 1.34	0.96	1.32
Share price high	EUR 70.00	51.00	52.00
Share price low	EUR 45.05	45.00	49.01
Share price as of last trading day in September	EUR 67.98	49.15	49.16
Market capitalisation as of last trading day in September	m EUR 204	147	147
Weighting in the WBI index as of last trading day in September	% 0.16	0.15	0.28

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

Share price Burgenland Holding/WBI (%)

On the basis of October 2005



Balance Sheet

ASSETS

	Sep 30, 2006 EUR	Sep 30, 2005 TEUR
A. Fixed assets:		
I. Financial assets:		
1. Investments	70,451,755.80	70,451.8
	70,451,755.80	70,451.8
B. Current assets:		
I. Accounts receivable and other assets:		
1. Receivables from affiliated companies	5,030,000.00	2,174.0
2. Other receivables	18,510.61	12.4
	5,048,510.61	2,186.4
II. Cash and hand and with banks		
1. Cash with banks	62,922.55	17.8
	5,111,433.16	2,204.2
C. Prepaid expenses and deferred charges	1,639.16	1.0
	75,564,828.12	72,657.0

LIABILITIES

	Sep 30, 2006 EUR	Sep 30, 2005 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)	4,260,000.00	3,995.0
IV. Net profit	5,704,400.57	3,063.9
Thereof profit carry-forward	3,877.35	2.6
	75,450,773.90	72,545.3
B. Provisions:		
1. Tax provisions	875.00	1.0
2. Other provisions	13,984.18	14.1
	14,859.18	15.1
C. Liabilities:		
1. Trade accounts payables	3,874.24	2.1
2. Liabilities to affiliated companies	95,320.80	94.6
	99,195.04	96.7
	75,564,828.12	72,657.0

Development of Fixed Assets

EUR	Acquisition cost Oct 1, 2005	Additions	Disposals
I. Financial assets			
BEWAG	54,504,625.63	0.00	0.00
BEGAS	15,713,177.85	0.00	0.00
Wr. Börse AG	233,952.32	0.00	0.00
Total I	70,451,755.80	0.00	0.00
Fixed assets – total	70,451,755.80	0.00	0.00

Reclassification	Acquisition cost Sep 30, 2006	Value adjustments Sep 30, 2006	Net book value Sep 30, 2006	Net book value Sep 30, 2005	Depreciation 2005/06
0.00	54,504,625.63	0.00	54,504,625.63	54,504,625.63	0.00
0.00	15,713,177.85	0.00	15,713,177.85	15,713,177.85	0.00
0.00	233,952.32	0.00	233,952.32	233,952.32	0.00
0.00	70,451,755.80	0.00	70,451,755.80	70,451,755.80	0.00
0.00	70,451,755.80	0.00	70,451,755.80	70,451,755.80	0.00

Income Statement

October 1, 2006 to September 30, 2005

(Period of comparison: October 1, 2004 to September 30, 2005)

	2005/06 EUR	2004/05 TEUR
1. Other operating income		
a) Income from the reversal of provisions	83.94	1.0
2. Other operating expenses		
a) Taxes	-292.56	-0.5
b) Others	-155,891.18	-147.6
	-156,183.74	-147.1
3. Total 1 to 2 (operating result)	-156,099.80	-146.6
4. Investment income	6,061,664.47	3,323.8
(From affiliated companies EUR 0.00; prev.yr. TEUR 0)		
5. Other interest and similar income	63,458.55	42.5
(From affiliated companies EUR 40,446.50; prev.yr. TEUR 30.8)		
6. Total 4 to 5 (financial result)	6,125,123.02	3,366.3
7. Pre-tax profit	5,969,023.22	3,219.8
8. Taxes on income	-3,500.00	-3.5
9. Net income	5,965,523.22	3,216.3
10. Transfer to retained earnings	-265,000.00	-155.0
11. Profit carry-forward	3,877.35	2.6
12. Net profit	5,704,400.57	3,063.9

Notes

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

Receivables 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	179,196.3	14,649.4	Sep 30, 05
BEGAS RO: Eisenstadt	49.00	61,797.7	6,220.8	Sep 30, 05
Wiener Börse AG RO: Vienna	0.88	43,227.6	14,918.2	Dec 31, 05

Receivables and other assets

Breakdown (Figures for previous year in parentheses)

	According to balance sheet TEUR	Those with remaining maturity of > 1yr TEUR	Those evidenced by b/e TEUR	Lump-sum adjustment TEUR
Receivables from affiliated companies	5,030.0 (2,174.0)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Other receivables and assets	18.5 (12.4)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Current year – total	5,048.5	0.0	0.0	0.0
Previous year – total	(2,186.4)	(0.0)	(0.0)	(0.0)

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

The accruals amounting to EUR 889.16 (prev.yr. TEUR 0.9) are made up exclusively of other deferred charges.

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 EUR21.81m, broken down into 3 million individual bearer shares.

Provisions

Other provisions are composed as follows:

Item	As of Sep 30, 2006 TEUR	As of Sep 30, 2005 TEUR
Supervisory board reimbursement	8.9	8.5
Audit and legal counsel	5.1	5.6

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 ma- turity of > 1yr TEUR
Trade accounts payable	3.9 (2.1)	3.9 (2.1)	0.0 (0.0)
Payables due to affiliated companies	95.3 (94.5)	95.3 (94.5)	0.0 (0.0)
Current year – total	99.2	99.2	0.0
Previous year – total	(96.6)	(96.6)	(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 2004/05 business year in the amount of EUR5,298,515.04 (previous year: TEUR 2,649.3), of BEGAS for the 2004/05 business year in the amount of EUR729,725.60 (py: TEUR656.7), and of Wiener Börse AG for the 2005 business year in the amount of EUR33,423.83 (py: TEUR17.8).

Taxes on income

The item "Income taxes" shows the minimum corporation tax of EUR3,500.00 (prev. yr: TEUR3.5).

Other Information

Corporate bodies and employees

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

Günther Ofner, Eisenstadt
Michael Gerbavits, Sulz

Expenses for the members of the management board amounted to EUR1,689.86 for the reporting period (py: TEUR2.1).

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

Leopold Buchmayer (Chairman)
Peter Layr (Vice Chairman)
Michael Amerer
Burkhard Hofer
Josef Kaltenbacher
Michael Obentraut
Werner Perz
Felix Sawertha
Gerold Stagl

The members of the supervisory board received compensation in the amount of TEUR12.4 (py: TEUR12.6).

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, November 2006

Management Board



Günther Ofner



Michael Gerbavits

Auditors' report

We have audited the annual financial statements of Burgenland Holding Aktiengesellschaft, Eisenstadt, for the business year from October 1, 2005, to September 30, 2006, including accounting procedures. Accounting procedures, preparation and content of these financial statements as well as the management report in accordance with the regulations of the Austrian Commercial Code 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 and a statement as to whether the management report is consistent with the financial statements.

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 and whether it is possible to determine if the management report is consistent with the financial statements. In determining auditing procedures, familiarity with business activities and the economic and the legal environment of the company as well as expectations concerning possible errors are taken into account.

The audit includes evaluating, on the basis of random sampling, evidence supporting the amounts and disclosures in accounting procedures and the financial statements.

It further includes assessing the accounting principles used and the significant estimates made by the duly authorized representatives, 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.

Our audit has not resulted in any objections. Based on the findings of the audit, we conclude that the financial statements are in compliance with legal regulations and 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.

The management report is consistent with the financial statements.

Vienna, October 27, 2006

KPMG Austria GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft
Mag. Rainer Hassler
Auditors and Tax Consultants
ppa Mag. Maximilian Schreyvogel

Proposed distribution of profits

The management board proposes the distribution of a dividend of EUR1.90 per share, totalling EUR5,700,700.00, from the net profit amounting to EUR5,704,400.57 and carrying forward the remainder of EUR4,400.57

Eisenstadt, im November 2006

Der Vorstand



Günther Ofner



Michael Gerbavits

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 Austria 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. Der Jahresabschluss zum 30. September 2006 ist damit gemäß § 125 Absatz 2 des Aktiengesetzes festgestellt.

In conclusion, the supervisory board would like to express its gratefulness to the management board for its efforts in the 2005/06 business year.

Eisenstadt, December 6, 2006

On behalf of the supervisory board



The Chairman Leopold Buchmayer m.p.

Burgenland Holding AG

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Financial Calendar 2006/07¹⁾

Results 1st quarter	February 26, 2007
AGM	March 26, 2007
Ex-dividend date	March 30, 2007
Dividend payout	April 5, 2007
Results first six months	May 30, 2007
Results 3rd quarter	August 29, 2007
Results for the full year 2006/07	December 12, 2007

¹⁾ preliminary