



 Burgenland
Holding AG

Annual Report
2008/09



KEY FIGURES

BURGENLAND HOLDING AG

		2008/09	2007/08	2006/07
Balance sheet total	EUR m	76.6	76.6	75.9
Equity	EUR m	76.6	76.6	75.8
Investment income	EUR m	6.5	6.5	6.1
Net income	EUR m	6.4	6.5	6.0

BEWAG GROUP

		2008/09 Vorschau	2007/08	2006/07
Electricity sales	GWh	1,246.1	1,329.6	1,172.9
Revenues	EUR m	276.0	275.1	242.8
Pre-tax profit	EUR m	-6.7	-3.9	27.5
Balance sheet total	EUR m	828.4	694.6	700.8
Shareholders' equity ¹⁾	EUR m	199.8	221.5	237.2

¹⁾ incl. untaxed reserves

BEGAS GROUP

		2009/09 ¹⁾ Preview	2007/08	2006/07
Natural gas sales	Mio. m ³	180.9	193.6	164.4
Revenues	EUR m	72.4	67.2	54.9
Pre-tax profit	EUR m	16.1	7.0	7.9
Balance sheet total	EUR m	198.2	204.5	222.0
Shareholders' equity ²⁾	EUR m	121.0	112.1	109.1

¹⁾ forecasted unaudited consolidated figures

²⁾ incl. untaxed reserves/and construction cost subsidies

ENERGISING THE BURGENLAND

BURGENLAND HOLDING AG

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 73.63 % 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. Österreichische Elektrizitätswirtschafts-AG – Verbund 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.

ANNUAL REPORT 2008/09

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STATEMENT OF THE MANAGEMENT BOARD ON THE ANNUAL FINANCIAL REPORT

pursuant to §82 para (4) fig 3 Stock Market Act

The Management Board of Burgenland Holding AG confirms

that the Financial Statements drawn up in conformity with the relevant accounting standards present a true and fair view of the company's assets, liabilities, financial position, and profit or loss;

that the Management Report represents the Company's performance, profit and situation in such a manner as to create a true and fair view of the company's asset, financial, and income situations, and that the major risks and uncertainties are described

Eisenstadt, December 14, 2009
Burgenland Holding AG

Management Board



Günther Ofner
Member of the Management Board



Nikolaus Sauer
Member of the Management Board



Dr. Günther Ofner



Mag. Nikolaus Sauer

CORPORATE BODIES

SUPERVISORY BOARD

Chairman

Leopold Buchmayer
Vice CEO
Raiffeisenlandesbank Burgenland

Vice Chairman

Peter Layr
Director EVN AG

Members

Michael Amerer
Director VERBUND-Austrian
Hydro Power AG

Burkhard Hofer
CEO EVN AG

Josef Kaltenbacher
Branch manager BAWAG Eisenstadt

Michael Obentraut
Director Wiener Stadtwerke Holding AG,
retired

Werner Perz
Managing Director EnergieAllianz Austria
GmbH

Felix Sawerthal
Head of Secretariat General and
Corporate Affairs, EVN AG

Gerold Stagl
Province Manager Wiener Städtische
Versicherung AG

MANAGEMENT BOARD

Günther Ofner
Nikolaus Sauer

CORPORATE GOVERNANCE

Burgenland Holding is an Austrian public limited company. Thus, corporate governance can be defined within the framework of the Austrian Code of Corporate Governance, in addition to the regulations of Austrian law, in particular the Companies Act and Capital Markets Act, regulations on employee co-determination, as well as the by-laws of Burgenland Holding AG.

The Management and Supervisory Boards of Burgenland Holding are bound by the Principles of Good Corporate Governance. Investors expect responsible and transparent corporate governance and management control with a long-term perspective. To this end, Burgenland Holding AG fully subscribed to the Austrian Code of Corporate Governance as of October 1, 2006. Even prior to that date, however, the Company had explicitly embraced the objective of the Code and acknowledged a large part of its regulations.

The standards of the Austrian Code of Corporate Governance are subdivided into three groups: The first category (Legal Requirement) – based exclusively on mandatory legal provisions – has to be applied by all listed Austrian companies and is also fulfilled to the letter by Burgenland Holding. Concerning C-regulations (Comply-or-Explain), listed companies are obliged to provide statements on compliance at regular intervals, while R-regulations are of purely recommendatory character and leave companies a choice to deviate from such regulations without a need for explanation.

Mostly because of industry peculiarities of the Austrian energy sector, Burgenland Holding is unable to comply with the following C-regulations of the Austrian Code of Corporate Governance:

Regulations 4 and 5: Disclosure of motions and all documents including motions and counter-motions of shareholders on the Company's website including a download option does not appear to be conducive, as such information is not open to the general public, but public only to shareholders. This means that only shareholders may inspect these documents. Filing shareholders also have a right to confidentiality.

Regulation 16: Given the Company's holding function and the resulting collegial decision-making, which has always resulted in unanimous resolutions, it is considered unnecessary to appoint a chairperson of the Management Board.

Regulation 27: In view of the size of the Company, the Management Board's remuneration is based on an hourly lump sum; thus, it does not include any fixed or performance-based components.

Regulation 37: compare Regulation 16; any discussion on strategy, business performance and risk management is effected by the entire Management Board.

Regulations 41: The Company is subject to the mandatory provisions of the Staffing Act.

Regulations 64, 66, 67 and 74: As there is no obligation to prepare consolidated group accounts, IFRS are not applied. Reporting is effected pursuant to applicable Austrian financial reporting requirements.

BURGENLAND HOLDING AG

INVESTMENTS AS OF SEPTEMBER 30, 2009

49 % BURGENLÄNDISCHE ELEKTRIZITÄTSWIRTSCHAFTS-AG (BEWAG)

GF Strom

- 100 % BEWAG Netz GmbH
- 100 % BEWAG Energievertrieb GmbH & Co KG
- 100 % EZH-Energiezentrale Heiligenkreuz Ges.m.b.H.
- 7 % ENERGIEALLIANZ Austria GmbH
- 7 % e&t Energie Handelsgesellschaft m.b.H.

GF Ökoenergie

- 100 % Austrian Wind Power GmbH
- 55.2 % EPZ Energieprojekt Zurndorf GmbH
 - 50 % PAMA-GOLS Windkraftanlagenbetriebs GmbH
 - 50 % PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG
- 100 % International Wind Power GmbH
- 100 % Pannon Szél-erő Szolgáltató Kft. (Budapest, Ungarn)
- 100 % WIBE – Windpark Beteiligungs GmbH (Eisenstadt, Österreich)
 - 1 % BWP – Bystrický Wind Power s.r.o. (Bratislava, Slowakei)
 - 1 % Energowind Ro s.r.l. (Bistrita Nasaud, Rumänien) (in Umsetzung)
 - 99 % BWP – Bystrický Wind Power s.r.o. (Bratislava, Slowakei)
 - 99 % Energowind Ro s.r.l. (Bistrita Nasaud, Rumänien) (in Umsetzung)
- 91.32 % IWBF – Internationale Windparkbeteiligungs- und Finanzierungs GmbH (Eisenstadt, Österreich)
- 100 % VEHL – Větrná energie HL s.r.o. (Brünn, Tschechien)
- 76 % Ventus Polska Sp. z o.o. (Warschau, Polen)
- 74 % RENERWIND – Renewind Energetikai Kft. (Janossomorja, Ungarn)
- 50 % VEM – Větrná energie Morava s.r.o. (Brünn, Tschechien)

49 % BURGENLÄNDISCHE ERDGASVERSORGUNGS-AG (BEGAS)

- 100 % IGM – Industrie- und Gewerbetpark Mittelburgenland Erwerbs-, Erschließungs- und Errichtungsgesellschaft m.b.H. (100 %)
- 1 % AUSTRIA FERGAS Gesellschaft m.b.H. in Liqu. (1 %)
- 50% Best Energy GmbH (50 %)
- 3% e&t Energie Handelsgesellschaft m.b.H. (3 %)
- 3% ENERGIEALLIANZ Austria GmbH (3 %)
- 100% BEGAS – Wärme & Service GmbH (100 %)
 - 49% Bioenergie Burgenland Service GesmbH (49.0001 %)
- 100% BEGAS – Handel GmbH (100 %)
 - 100% BEGAS Asset Management GmbH (100 %)
 - 100% BEGAS Energievertrieb GmbH & Co KG (EUR 36,000)
- 2.73% EconGas GmbH (2.734 %)

- 50 % SWP – Slovakian Wind Power s.r.o. (Bratislava, Slowakei)
- 50 % PSW – Polska Sila Wiatru Sp. z o.o. (Warschau, Polen)
- 50 % CEMP – Čista Energija Mediterana I Panonije d.o.o. (Zagreb, Kroatien)
- 50 % WSW – Warminska Sila Wiatru Sp. z o.o. (Warschau, Polen)
- 38 % NSW – Nasza Sila Wiatru Sp. z o.o. (Warschau, Polen)
- 25 % TWP – Torremaggiore Wind Power s.r.l. (Mailand, Italien)

- 100 % Austrian Biomass Power GmbH
- 50 % Biomassekraftwerk Heiligenkreuz Betriebs GmbH
- 99 % Biomassekraftwerk Heiligenkreuz Errichtungs GmbH

- 50 % Best Energy GmbH

GF Services

- 100 % BEWAG Geoservice GmbH
- 100 % PEW Technik + Service GmbH
- 100 % BEWAG Licht & Service GmbH
- 33.33 % EBRZ Erstes Burgenländisches Rechenzentrum GmbH
- 2.52 % APCS Power Clearing and Settlement AG
- 1.26 % CISMO Clearing Integrated Services and Market Operations GmbH

GF Telekom

- 100 % B.net Hrvatska d.o.o.
- 100 % Na Kub d.o.o. (Zagreb, Kroatien)
- 100 % Na Kvadrat d.o.o. (Zagreb, Kroatien)
- 4.57 % Vereinigte Telekom Österreich Beteiligungs GmbH

GF Electronic Manufacturing

- 100 % BECOM Electronics GmbH
- 100 % BECOM Electronics Hungary Kft. (Tatabánya, Ungarn)

Konzernclearing, BKF

- 100 % BEWAG Konzernclearing GmbH
- 100 % BKF Das Burgenland Fernsehen GmbH

- 100% BEGAS Kraftwerk GmbH (100 %)
 - 50% Biomassekraftwerk Heiligenkreuz Betriebs GmbH (50 %)
 - 99% Biomassekraftwerk Heiligenkreuz Errichtungs GmbH (99 %)
 - 99.43% Biomassekraftwerk Oberpullendorf Errichtungs- und Betriebs GmbH (99.4286 %)
 - 100% RVH Reststoffverwertungs GmbH (100 %)
 - 0.22% CISMO Clearing Integrated Services and Market Operations GmbH (0.2195 %)
- 100% BEGAS Netz GmbH (100 %)
 - 0.44% AGCS Gas Clearing and Settlement AG (0.44 %)
 - 1% Biomasse-Kraftwerk Güssing GmbH u. Co KG (EUR 74,126.29)



BEWAG 2008/09 BUSINESS YEAR – PREVIEW

OCTOBER 1, 2008 – SEPTEMBER 30, 2009

HIGHLIGHTS

- Issue of the BEWAG corporate bond with a nominal value of EUR200m and a coupon of 4.75%
- Sale of B.net Burgenland Telekom GmbH and Data-service GmbH to Kabelsignal AG
- Suspension of the disposal process of investments in the business areas of Electronic Manufacturing Services, Telecom and Eco-friendly Energy (overseas) to focus on the core business
- Requirement of additional collateral under the US cross-border lease agreements

Electricity sales and supply

In the 2008/09 business year, BEWAG's electricity supply will amount to 1,318.3GWh, and electricity sales to final customers by BEWAG Energievertrieb GmbH & Co KG will be 1,246.1GWh, around 6.3 % below the volume in the corresponding period of the previous year (October 1, 2007 – September 30, 2008). Compared to the previous business year, grid sales will drop approximately 1.0 % to 1,511.1.1GWh, which is primarily due to the financial and economic crisis.

Income situation

The revenues of the BEWAG Group will amount to about EUR276.0m, resulting in an increase of about 0.3% compared to the previous year. This will mainly be due to increased revenues at BEWAG Energievertrieb GmbH & Co KG and B.net Hrvatska d.o.o., while the sale of B.net Burgenland Telekom GmbH will result in a decline.

Pre-tax profit will amount to approximately –EUR6.7m, thus about 72.2 % less than in the previous year. The primary reasons for this development can be found in the effects of the financial and economic crisis (eg, loss of fund payouts of about EUR12.3m, sunk costs arising from the suspended disposal of investments of approximately EUR1.9m, cost from additional collateral for the US cross-border lease agreement of about EUR0.9m) and a bad wind year (about EUR1.4m).

Financial situation

The operating cash flow of EUR22.8m will be 57.1% below last year's level, which is primarily due to a lower profit despite reduced depreciation.

Balance sheet and capital structure

As of September 30, 2009, the balance sheet total will amount to approximately EUR828.4m, with fixed assets (about EUR732.9m) accounting for about 88.5% of total

assets. Shareholder's equity including untaxed reserves will amount to EUR199.8m, resulting in an equity ratio of roughly 24.1%. The decrease compared to the previous year (about 31.9%) was caused mainly by the increase in the balance sheet total resulting from the collateral posted under the US cross-border lease agreements (approx. EUR 134.0m).

Outlook

At the time of printing, the final financial statements as of September 30, 2009 were not yet available. Therefore, the data presented here are preliminary.

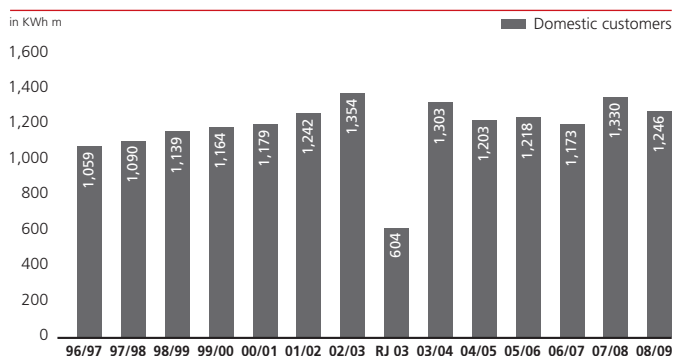
In the fourth quarter of the 2008/09 business year and in the following business year, efforts concerning the disposal of investments will be intensified further. These transactions are expected to be completed in the course of the 2009/10 business year. Furthermore, calls for additional collateral from the US cross-border lease agreements may become relevant.

BEWAG KONZERN

		2008/09 Preview	2007/08
Electricity sales	GWh	1,246.1	1,329.6
Grid sales	GWh	1,511.1	1,526.0
Revenues	EUR m	276.0	275.1
Pre-tax profit	EUR m	-6.7	-3.9
Balance sheet total	EUR m	828.4	694.6
Shareholder' equity ¹⁾	EUR m	199.8	221.5
Operating cash flow	EUR m	22.8	50.3

¹⁾ Equity incl. untaxed reserves

DEVELOPMENT OF ELECTRICITY SALES IN GWH



Information on performance refers to a preview of BEWAG's group accounts for the 2008/09 business year as of September 30, 2009, based on the interim accounts as of March 31, 2009 (6 months of actual figures and 6 months of budget figures). For comparison, we present the figures from the group accounts as of September 30, 2008.

The numbers are comparable only to a limited extent as the scope of consolidation has changed as a result of final consolidation of B.net Burgenland Telekom GmbH and Dataservice GmbH in the second quarter of the reporting period and the initial consolidation of Renerwind Energetikai kft.



BEGAS IN THE 2008/09 BUSINESS YEAR

OCTOBER 1, 2008 – SEPTEMBER 30, 2009

Natural gas sales volume

In total, 180.9m³ of natural gas was sold from October 2008 to September 2009. This represents a decrease in the natural gas sales volume of 6.6 % compared to the same period of the previous year and can be put down mainly to capacity reductions in production facilities as well as the extremely mild temperatures during the first quarter of 2008/09.

Income situation

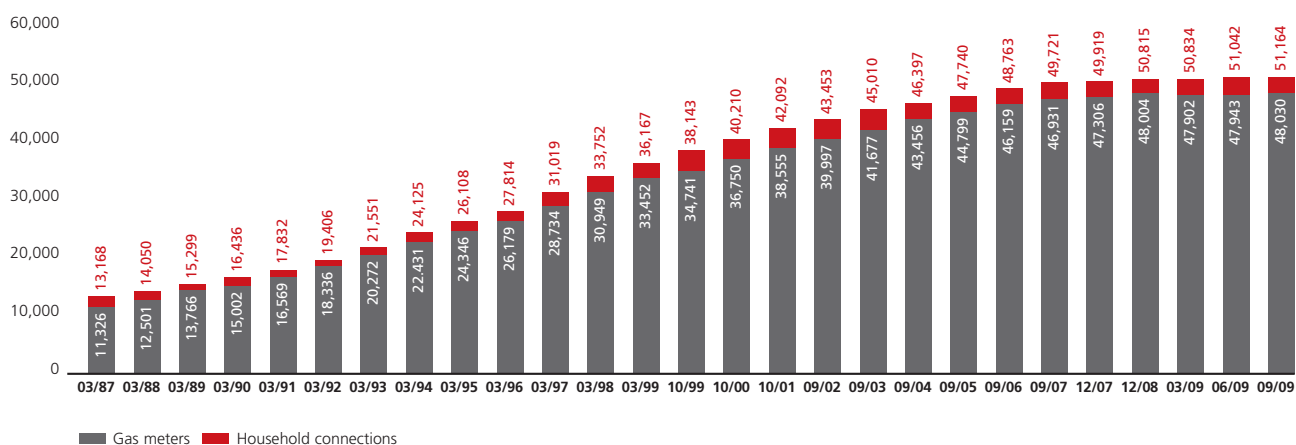
BEGAS Group's revenues will amount to an estimated EUR72.4m. Pre-tax profits will amount to EUR17.1m. As a result of reallocations within financial assets, pre-tax profit contains one-off effects amounting to EUR8.2m.

BEGAS GROUP

		2008/09 ¹⁾	2007/08	Change +/- %
Total natural gas sales volume grid	m ³ m	180.9	193.6	-6.6
Revenues	EUR m	72.4	67.2	+7.7
Pre-tax profit	EUR m	16.1	7.0	+131.6

¹⁾ forecasted unaudited consolidated figures

CUSTOMER DEVELOPMENT



Information on performance refers to the preliminary financial statements of BEGAS, BEGAS Energievertrieb GmbH&Co KG, BEGAS – Wärme & Service GmbH, BEGAS Kraftwerk GmbH and IGM – Industrie- u. Gewerbepark Mittelbgld. Erwerbs-, Erschließungs- und Errichtungs- Gesellschaft m.b.H. and Biomassekraftwerk Oberpullendorf Errichtungs- und Betriebs GmbH, RVH Reststoffverwertungs GmbH consolidated by management (no consolidation under the Commercial Code).

MANAGEMENT REPORT

THE COMPANY'S ENVIRONMENT

European energy policy

In December 2008, the European Parliament passed the Climate and Energy Package proposed by the European Commission at the beginning of 2008. This means that the threefold goals to be reached by 2020 – a reduction of end energy consumption and greenhouse gas emissions (CO₂) by 20% compared to 1990 as well as the expansion of energy supply from renewable resources to 20% of energy consumption based on 2005 – have become legally binding on member states and must be transformed into national law.

In order to reach those goals, the energy-intensive manufacturing and energy industries have to reduce their CO₂ output by 21% by 2020. Sectors that are not subject to emission trading (eg, traffic) are obliged to achieve a reduction by at least 16%. One main instrument of the package of measures is an EU-wide trade in emission certificates. The new CO₂ emission trading directive requires European energy providers (with the exception of companies in the new CEE member countries) to purchase their emission rights by auction in full starting in 2013.

Due to new proposals of the European Parliament, the reduction of emissions related to the greenhouse effect by 20% previously stipulated was extended to at least 30% by 2020 and 50% by 2050. The Climate Conference taking place in December 2009 in Copenhagen will initiate further important steps and goals of European climate policy.

Due to burden sharing, which takes into account national potential, Austria is obliged to increase its share of renewable resources in end energy consumption from 25.8% in 2005 to 34.0%. In order to achieve the goal of a 20% reduction of CO₂, greenhouse gas emissions have to be reduced to about 76.7m tonnes from 93.3m tonnes.

ENERGY POLICY IN AUSTRIA

Eco-Electricity Act

In order to increase the share of eco-electricity in Austria to 15% by 2015, the amendment to the Eco-Electricity Act passed by parliament on 23 September, 2009, places its focus on wind and hydro power. The annual funding for new eco-electricity plants will be EUR21m for the next 13 years, with EUR12.5m allocated to the optimisation and erection of small hydropower plants. The level of feed-in tariffs of electricity from hydropower was guaranteed for up to 20 years. Beyond the amendment to the Eco-Electricity Act, the generation of electricity from photovoltaics and the expansion of district heating based on biomass and biogas will be subsidised.

"Energy Strategy Austria"

In mid-2009, work on "Energy Strategy Austria" started, guided by the main thrusts stipulated by the EU and following five equally important goals - supply security, environmental sustainability, cost and energy efficiency, social compatibility, and competitiveness. The 350 measures proposed are currently under review in task forces. A strategy conference and resolution by way of political coordination are to be expected for January 2010.

CO₂ emission certificates

Under the Kyoto Agreement, Austria undertook to reduce its greenhouse gas emissions by 13% by 2013. Within the National Allocation Plan II (2008-2012), the Austrian electricity industry, based on historical emissions, was allocated free CO₂ emission certificates to the extent of 7.7 million tonnes per year.

Regulation of electricity and gas grids

A system of incentive regulation on a uniform basis was introduced for electricity grids (four years) and gas grids (five years) in early 2006 and early 2008, respectively: They provide for a compensation of inflation, reduced by an increase in productivity expected of all grid operators as well as an increase in efficiency specific to each company.

ECONOMIC ENVIRONMENT AND ENERGY INDUSTRY

In the fourth quarter of 2008, the global economy suffered a massive setback. The first quarter of 2009 saw the slump gain momentum, while the pace of the decline slowed down in the second quarter. Following drops of GDP in the euro area by 1.9% and 2.4% in the fourth quarter of 2008 and the first quarter of 2009, respectively - compared to each preceding quarter – economic activity declined by only 0.2% in the second quarter of 2009. Compared to the respective quarters of the previous year, GDP dropped by 4.9% in the first quarter, and by 4.8% in the second quarter.

The most important leading indicators suggest a noticeable recovery of the economy since the middle of 2009: In the second quarter of 2009, private consumption rose 0.1%, and at the same time, the steep decline of investments started to level off. As of now, GDP of the euro area is expected to shrink by about 3.5% in 2009. Based on the assumption of stabilizing economic activity in the second half of 2009, slightly negative growth is expected for 2010.

In line with the international development, Austria's economic output plunged 2.7% in the first quarter of 2009 compared to the previous quarter. The second quarter, however, was marked by a slight stabilisation, with GDP declining by only 0.5%. Forecasts for 2009 show Austria's GDP shrinking by 3.4-3.8%, while 2010 might even see slight growth.

The conditions in the energy sector have a major impact on the performance of the associated companies BEWAG and BEGAS. The weather primarily had an impact on the energy consumption of households, in particular their demand for gas and heat. By contrast, the economic development affects the demand for energy of industrial customers.

As a result of the economic slump, the prices of primary energy and electricity as well as the prices of CO₂ emission certificates dropped sharply in the 2008/09 business year. The price of Brent North Sea Oil, which is considered the reference value for Europe, plunged by 45.3% and 39.1% in terms of US dollars and euros, respectively. With a decline of about 34.0%, the development of the coal price reflected this development. Due to the time lag of about six months, the purchasing price of gas, which is pegged to the price of crude oil, fell only 10.3% in the reporting year, but dropped by 30.0% in the second half of the business year. As a result of lower electricity demand and production, the price of CO₂ emission certificates declined 19.0% in the 2008/09 business year.

During the reporting period, European electricity prices were at a low level and did not move uniformly. The spot market prices for base load and peak load electricity – due to the slump in prices of primary energy from mid-2008 and the decline in economic activity since the fourth quarter of 2008 - were below last year's level by 26.9% and 28.9%, respectively.

As a result of the economic slump, electricity consumption declined massively starting in the fourth quarter of 2008: According to the E-Control regulator, the decline in GDP growth and warmer weather caused electricity consumption to drop 3.2% compared to the corresponding period in the previous year. In the first and the second quarter of 2009, electricity consumption went down 2.5 and 7.9%, respectively. The economic development showed an impact mainly on industry's demand for energy, with a decline in electricity by about 10.0% in the first six months of 2009. According to forecasts, overall energy consumption will shrink by approximately 8.0% in Austria.

BURGENLAND HOLDING AG

OCTOBER 1, 2008 – SEPTEMBER 30, 2009

HIGHLIGHTS

- Dividend income slightly above last year's level
- Recommendation to the AGM: dividend payout of EUR2.15/share

Favourable income situation thanks to associated companies

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

In the 2008/09 business year, Burgenland Holding received investment income amounting to EUR6.49m (2007/08: 6.48m), which was composed of the BEWAG dividend of EUR5.4m and the BEGAS distribution in the amount of EUR1.09m, both for the 2007/08 business year. In connection with a capital increase at Wiener Börse AG carried out in the 2008/09 business year, no dividend was paid out from the net profit as of 31 December 2008. Following exercise of its subscription rights, Burgenland Holding AG now holds 0.99% (prev. yr.: 0.88%) in Wiener Börse AG.

The loss of dividend from Wiener Börse AG could be compensated by an increased payout by BEGAS, resulting in a slight increase in overall investment income of 0.1% compared to the previous year.

Due to the continuing economic and financial crisis, interest rates have dropped drastically, which – in spite of a basically unchanged investment volume – has led to a marked decline in investment income for Burgenland Holding AG. All in all, Burgenland Holding received interest and similar income in the amount of EUR0.11m (prev.yr.: EUR0.25m).

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 2008/09, a dividend in the amount of EUR2.15 per share, totalling EUR6.45m, is to be distributed to the shareholders.

Stable balance sheet and capital structure

Burgenland Holding's sound capital structure remained basically unchanged compared to the 2007/08 business year. The balance sheet total stands at EUR76.6m, thus at exactly the same level as in the previous year. As of September 30, 2009, the equity ratio remains unchanged at 99.9%.

The Company's share capital was reorganised 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. The shares of Burgenland Holding Aktie are listed in the "standard market auction" segment of the Vienna Stock Exchange.

EVN AG holds 73.63 % of the shares of Burgenland Holding AG. Österreichische Elektrizitätswirtschafts-AG – VERBUND holds more than 10% of the shares, while Wiener Stadtwerke AG Holding AG and Burgenländische Elektrizitätswirtschafts-AG (BEWAG) hold between 5% and 10% each.

No other shareholder holds more than 5%, with those shares being in free float.

There are no restrictions on the share capital with regard to voting rights or the transfer of shares.

The members of the Management Board have no extended authority regarding the possibility to issue or buy back shares.

There are no provisions in which the Company has a part and that become effective, change or end upon a change in control of the Company as a result of a takeover bid.

BURGENLAND HOLDING AG

		2008/09	2007/08	+/- %
Investment income	EUR m	6.5	6.5	0,0
Net income	EUR m	6.4	6.5	-1.5
Dividend/share	EUR m	2.15 ¹⁾	2.15	-
Balance sheet total	EUR m	76.6	76.6	-
Fixed assets	EUR m	71.3	70.5	1.1
Current assets, prepaid expenses and deferred changes	EUR m	5.3	6.2	-14.5
Equity	EUR m	76.6	76.6	-
Debt capital	EUR m	0.0	0.1	-

¹⁾ Recommendation to the AGM

THE 2008/2009 BUSINESS YEAR

INCOME RATIOS

		2008/09 in TEUR	2007/08 in TEUR	+/- in TEUR	+/- %
EBIT	Pre-tax profit + interest and similar expenses pursuant to § 231 (2) Z 15 UGB	6,391	6,530	-139	-2.1

Since the business activities of Burgenland Holding AG are confined to holding and managing investments, Burgenland Holding AG again did not generate any revenues in the past 2008/09 business year.

		2008/09	2007/08	+/-	+/- %
Return on capital					
Return on equity	Pre-tax profit/average shareholders' equity	8.3 %	8.6 %	-	-0.2
Return on assets	EBIT / Pre-tax profit / average total assets	8.3 %	8.6 %	-	-0.2

BALANCE SHEET AND FINANCIAL RATIOS

		2008/09 in TEUR	2007/08 in TEUR	+/- in TEUR	+/- %
Working capital	Current assets – Long-term current assets = short-term current assets – short-term debt capital = Working capital	5,232	6,168	-936	-15.2
Equity ratio	Shareholders' equity / Total assets	99.9 %	99.9 %	-	-

Burgenland Holding AG does not show any liabilities vis-à-vis credit institutions either as of September 30, 2009, or in the corresponding period. The working capital decreased due to lower investments in the Group (cash pooling) in connection with the increased share in Wiener Börse AG. Like last year, net gearing (net debt / shareholders' equity) amounts to 0.00%.

CASH FLOW STATEMENT

		2008/09 in TEUR	2007/08 in TEUR	+/- in TEUR	+/- %
Net operating cash flow		6,403	6,442	-39	-0.6
Net investment cash flow		-873	0	-873	-
Net financing cash flow		-6,450	-5,700	-750	-13.2
Change in cash and cash equivalents affecting cash flow		-920	742	-1,662	-

Based on a net income of EUR6.4m, it was possible to achieve an operating cash flow of also EUR6.4m. The high net income was determined mostly by the distributions of the associated companies. As a result of the increase in the share in Wiener Börse AG and due to the higher payout for the 2007/08 in the amount of EUR6.5m, the cash flow of Burgenland Holding AG declined by EUR1.7m.

THE BURGENLAND HOLDING SHARE

The past business year was marked by severe turbulences in the credit and financial markets. The bankruptcy of Lehman Brothers, the US investment bank, in the last quarter of the previous year was the negative climax of the crisis and led to a massive loss of confidence in the financial markets. In its wake, the economic slump was exacerbated worldwide and risk premiums virtually skyrocketed – ultimately, this resulted in a dramatically subdued investment climate.

Governments and central banks pushed all buttons to prevent a collapse of the financial system. On the political side, enormous bail-out packages were put together in order to ensure liquidity and to stabilise and stimulate the economy. The central banks, for their part, drastically reduced interest rates and thus created significantly cheaper refinancing opportunities. Since the end of last year, the Federal Funds Rate of the US Federal Reserve System has effectively been at zero, while the European Central Bank, following its most recent interest rate cut at the beginning of May, has kept its key lending rate stable at 1.0%. These levels can be expected to remain basically unchanged for the next 6 to 12 months.

All these measures have tended to help improve the situation. The stock markets have, in part, even rebounded sharply since mid-March. Thus, for example, the German DAX stock index has risen by 18.0% since the beginning of the year, with the Austrian ATX index even soaring by almost 51.0%.

Since July, credit spreads have narrowed significantly again, which in turn leads to more attractive financing opportunities for companies and thus to an increased willingness to invest. Furthermore, the leading indicators published in the last few weeks show first signs of a recovery. Still, the sustainability of this development remains uncertain: The positive development in the stock markets and the narrowing of credit spreads is clearly driven by liquidity, which means that much capital looking for investment outlets lowers risk parameters accordingly. Once this supply dries out, the positive scenario could deteriorate again.

The sometimes sharply negative performance of stock market indices caused by the crisis rebounded strongly again in the reporting period from October 2008 to September 2009 due to the last few months. Within that period, the DAX lost only 2.7%, and the Euro Stoxx index lost only slightly more at 5.5%. The ATX also recorded a manageable decline of 4.7%. At the same time, the Dow Jones Euro Stoxx Utilities industry index, relevant for Burgenland Holding, dropped 14.4%.

The Burgenland Holding share was not able to buck the negative international trend and stood at EUR37.00 as of the end of September 2009. This corresponds to a decrease of 30.0% in the past business year and a market capitalisation of EUR111m. At the end of the reporting period, its weighting in the WBI was 0.14%.

INVESTOR INFORMATION

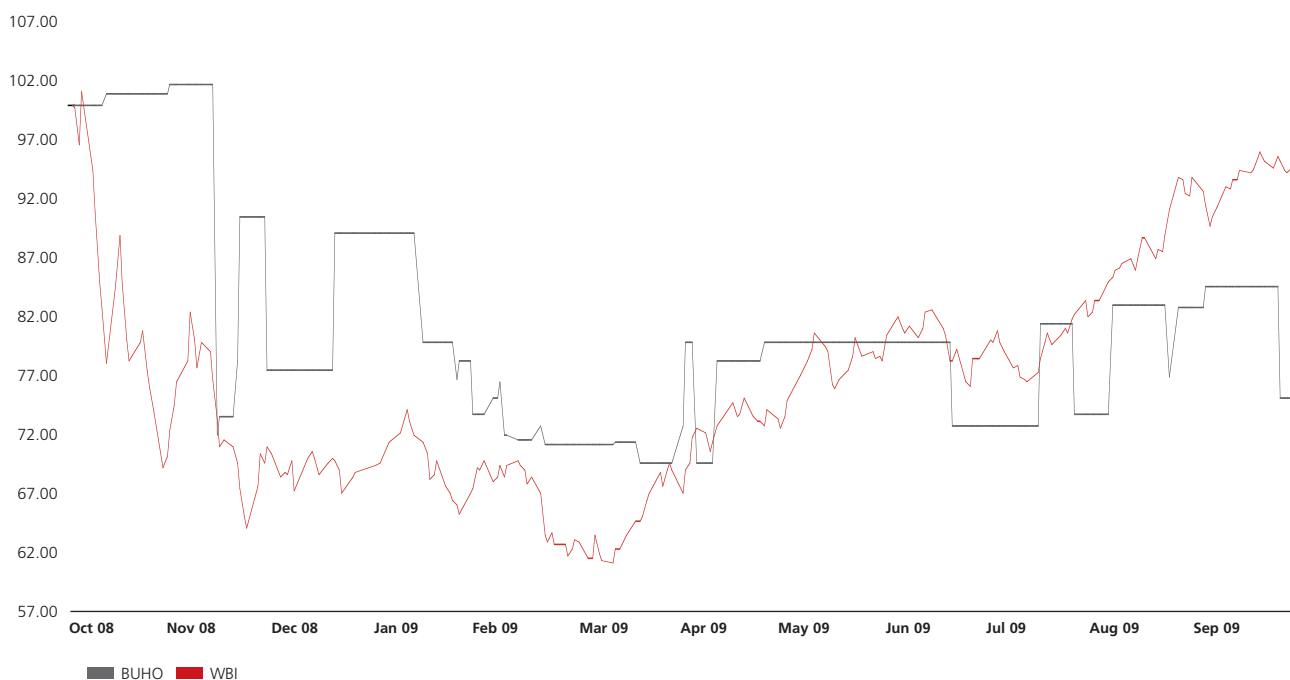
Performance		2007/08	2006/07	2005/06
Average daily volume	No.	19	37	55
Total share volume	EUR m	0.19	0.61	0.94
Share price high	EUR	53.99	72.00	72.00
Share price low	EUR	33.50	52.90	59.60
Share price as of the last trading day in September	EUR	37.00	52.90	67.61
Market capitalisation as of the last trading day in September	EUR m	111	159	203
Weighting in the WBI index as of the last trading day in September	%	0.14	0.19	0.13

BASIC INFORMATION

Share capital, denomination	EUR 21.81m, 3 individual no-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

SHARE PRICE BURGENLAND HOLDING/WBI (%)

On the basis of September 2008



Environmental protection

Early on, EVN Group installed a comprehensive environmental management system in order to take into account environmental protection in all its management decisions; Burgenland Holding AG is also integrated in this system. Environmental activities are not conducted within the Company itself, but are carried out by the associated companies BEWAG and BEGAS on the one hand, and EVN Group on the other.

Branch offices

Burgenland Holding AG does not have any branch offices.

Risk profile

Burgenland Holding AG continues to keep an increased focus on managing its equity risk. In organising the Group's risk management, management accounting for investments is thus given a special role.

CORPORATE CALENDAR 2009/10¹⁾

Results 1st quarter	February 26, 2010
AGM	March 15, 2010
Ex-Dividende-Tag	March 23, 2010
Dividend payout	March 31, 2010
Results first six months	May 28, 2010
Results 3rd quarter	August 30, 2010
Results for the full year 2009/10	December 16, 2010

¹⁾ preliminary

Research and development

Like last year, there were no R&D activities at Burgenland Holding AG.

Outlook

We are expecting stable dividend also for the upcoming business year.



2008/09 FINANCIAL STATEMENTS

BALANCE SHEET AS OF SEPTEMBER 30, 2009

ASSETS (COMPARED TO THE PREVIOUS YEAR AS OF SEPTEMBER 30, 2008)

	Sep 30, 2009 EUR	Sep 30, 2008 TEUR
A. Fixed assets		
I. Financial assets		
Investments	71,325,280.80	70,452
	71,325,280.80	70,452
B. Current assets		
I. Accounts receivable and other assets		
1. Receivables from affiliated companies	5,193,000.00	6,090
2. Other receivables	50,707.59	65
	5,243,707.59	6,155
II. Cash at hand and with banks		
Cash at banks	6,936.63	30
	5,250,664.22	6,185
C. Prepaid expenses and deferred charges	1,571.66	1
	76,577,496.68	76,638

LIABILITIES AND SHAREHOLDERS' EQUITY (COMPARED TO THE PREVIOUS YEAR AS OF SEPTEMBER 30, 2007)

	Sep 30, 2009 EUR	Sep 30, 2008 TEUR
A. Shareholders' equity		
I. Share capital	21,810,000.00	21,810
II. Capital reserves		
Committed reserves	43,676,373.33	43,676
III. Retained earnings		
Other reserves (free reserves)	4,622,000.00	4,680
IV. Net profit	6,450,731.19	6.455
Thereof profit carry-forward	5,250.22	9
	76,559,104.52	76,621
B. Provisions		
I. Tax provisions	875.00	1
II. Other provisions	17,289.16	15
	18,164.16	16
C. Liabilities		
I. Trade accounts payable	228.00	0
II. Liabilities to affiliated companies	0.00	1
	228.00	1
	76,577,496.68	76,638

DEVELOPMENT OF FIXED ASSETS

FIXED ASSET SCHEDULE

EUR	Acquisition cost Oct 1, 2008	Additions	Disposals	Reclassification
I. Finanzanlagen				
Investments	70,451,755.80	873,525.00	0.00	0.00
Total I	70,451,755.80	873,525.00	0.00	0.00
Fixed assets – total	70,451,755.80	873,525.00	0.00	0.00

INCOME STATEMENT

OCTOBER 1, 2008 TO SEPTEMBER 30, 2009

(PERIOD OF COMPARISON: OCTOBER 1, 2007 TO SEPTEMBER 30, 2008)

	2008/09 EUR	2007/08 TEUR
1. Other operating income:		
a) Others	76.48	0
2. Other operating expenses:		
a) Taxes	-251.46	-1
b) Others	-212,359.32	-205
	-212,610.78	-206
3. Total 1 to 2 (operating result)	-215,534.30	-206
4. Investment income	6,489,181.86	6,485
From affiliated companies EUR 0.00; prev.yr. TEUR 0)		
5. Other interest and similar income	114,333.41	251
From affiliated companies EUR 114.038,89; (prev.yr. TEUR 249,3)		
6. Total 4 to 6 (financial result)	6,603,515.27	6,736
7. Pre-tax profit	6,390,980.97	6,530
8. Taxes on income	-3,500.00	-4
9. Net income	6,387,480.97	6,526
10. Reversal of retained earnings	58,000.00	0
11. Transfer to retained earnings	0.00	-80
12. Profit carry-forward	5,250.22	9
13. Net profit	6,450,731.19	6,455

Acquisition cost Sep 30, 2009	Value adjustments Sep 30, 2009	Net book value Sep 30, 2009	Net book value Sep 30, 2008	Depreciation 2008/09
71,325,280.80	0.00	71,325,280.80	70,451,755.80	0.00
71,325,280.80	0.00	71,325,280.80	70,451,755.80	0.00
71,325,280.80	0.00	71,325,280.80	70,451,755.80	0.00

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 UGB (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

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 %	Shareholders' equity (under § 224 (3) UGB) TEUR	Net income TEUR	As of
BEWAG RO: Eisenstadt	49.00	192,888.5	2,320.9	Sep 30, 2008
BEGAS RO: Eisenstadt	49.00	77,816.2	7,473.7	Sep 30, 2008
Wiener Börse AG RO: Vienna	0.99	108,672.1	30,670.9	Dec 30, 2008

In the course of the capital increase carried out by Wiener Börse AG, Burgenland Holding AG exercised its subscription rights and purchased 3,065 new individual shares at an issue price of EUR 285.00 per individual share. In total, its stake in Wiener Börse AG rose by EUR 873,525.00.

RECEIVABLES AND OTHER ASSETS

Breakdown (Figures for previous year in parentheses)	According to balance sheet TEUR	Those with remaining maturity of 1 year TEUR	Those evidenced by b/e TEUR	Lump-sum adjustment TEUR
Receivables from affiliated companies	5,193.0 (6,090.0)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Other receivables and assets	50.7 (64.8)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Current year – total	5,243.7	0.0	0.0	0.0
Previous year – total	(6,154.8)	(0.0)	(0.0)	(0.0)

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

The accruals amounting to EUR 1,571.66 (prev.yr. TEUR1.6) 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 EUR 21.81m, broken down into 3 million individual bearer shares.

Provisions

Other provisions are composed as follows:

Item	As of Sep 30, 2009 TEUR	As of Sep 30, 2008 TEUR
Supervisory board reimbursement	8.3	8.8
Audit and legal counsel	5.8	5.6
Provisions for outstanding receivables	3.2	0.0

LIABILITIES

Breakdown (Figures for previous year in parentheses)	According to balance sheet TEUR	Those with remaining maturity of 1 year TEUR	Those with remaining more than 1 year TEUR
Trade accounts payable	0.2 (0.0)	0.2 (0.0)	0.0 (0.0)
Payables due to affiliated companies	0.0 (1.2)	0.0 (1.2)	0.0 (0.0)
Current year – total	0.2	0.2	0.0
Previous year – total	(1.2)	(1.2)	(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 2007/08 business year in the amount of EUR5,394,593.46 (previous year: TEUR 5,394.6) and of BEGAS for the 2007/08 business year in the amount of EUR1,094,588.40 (py: TEUR912.2). There was no payout from Wiener Börse AG for the 2008 business year (py: TEUR177.8).

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 Nikolaus Sauer, Neufeld an der Leitha

Expenses for the members of the management board amounted to EUR3,924.36 for the reporting period (prev.yr.: TEUR2.8).

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 Sawerthal
Gerold Stagl

The members of the supervisory board received compensation in the amount of TEUR13.3 (prev.yr.: TEUR12.9). The Company does not have employees.

No advances or loans were granted to the member of the management board and the supervisory board in the reporting period.

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 UGB (Austrian Commercial Code).

The consolidated financial statements of the parent company (FN72000h) have been filed with the district court in Wiener Neustadt.

With regard to the expenditure due to the auditor in the reporting period, the safeguard clause pursuant to §237 section 14 UGB (Austrian Commercial Code) is invoked based on the integration in the consolidated financial statements of EVN AG, Maria Enzersdorf.

Eisenstadt, October 12, 2009

Management Board



Günther Ofner, mp



Nikolaus Sauer, mp

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 mbHWirtschaftsprüfungs- 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 recom-

mendation concerning the application of profits. Therefore, the financial statements as of September 30, 2009, 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 2008/09 business year.

Eisenstadt, December 15, 2009

On behalf of the supervisory board

The Chairman
Leopold Buchmayer, mp





AUDITOR'S REPORT

We have audited the enclosed annual financial statements of Burgenland Holding Aktiengesellschaft, Eisenstadt, for the business year from October 1, 2008, to September 30, 2009, including accounting procedures. The present financial statements comprise the balance sheet as of September 30, 2009, the income statement for the business year ending on September 30, 2009, as well as a summary of the material accounting and valuation methods applied as well as other notes.

Responsibility of the duly authorised representatives for the financial statements and accounting

Preparation and content of these financial statements are the responsibility of the duly authorised representatives of the company; the financial statements, in compliance with legal regulations applying to companies in Austria, present as true and fair a view of the company's assets, liabilities, financial position, and profit or loss as possible. This responsibility includes: Design, implementation and maintenance of an internal review system to the extent this is relevant for the preparation of the financial statements and the conveyance of as true and fair a view of the company's assets, liabilities, financial position, and income situation as possible to ensure that the financial statements are free of material misrepresentations, whether intended or unintended; the selection and application of appropriate accounting and valuation methods; making estimates that seem appropriate under the given circumstances.

Responsibility of the auditor and description of nature and scope of legally mandated audit

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 comply with ethical industry standards and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes the conduct of audit activities to obtain evidence regarding the amounts and disclosures in the financial statements. The selection of audit activities is subject to the proper discretion of the auditor taking into account his or her assessment of the risk of occurrence of material misrepresentations, whether intended or unintended. In carrying out such risk assessment, the auditor takes into account the internal review system to the extent this is

relevant for the preparation of the financial statements and the conveyance of as true and fair a view of the company's assets, liabilities, financial position, and income situation as possible to ensure that the financial statements are free of material misrepresentations, so as to determine appropriate auditing activities under the given circumstances, but not in order to offer an opinion on the effectiveness of the company's internal review mechanisms. The audit further includes assessing the appropriateness of the accounting and valuation principles used and the significant estimates made by the duly authorised representatives, as well as evaluating the overall financial statement presentation.

We believe to have obtained sufficient and appropriate audit evidence and are thus satisfied that our audit represents a sufficiently sound basis for our audit opinion.

Auditor's 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 and financial position as of September 30, 2009, and of the company's income situation for the business year from October 1, 2008, to September 30, 2009, in conformity with generally accepted accounting principles.

Statements on the Management Report

Due to legal regulations, the Management Report has to be examined as to whether it is in line with the financial statements and whether the other information in the management report does not convey a wrong impression of the situation of the company. The auditor's opinion also has to include a statement as to whether the Management Report is in line with the financial statements.

In our assessment, the Management Report is consistent with the Financial Statements.

Vienna, October 22, 2009

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Rainer Hassler
ppa MMag. Angelika Vogler
Auditor

PROPOSED DISTRIBUTION OF PROFITS

The management board proposes the distribution of a dividend of EUR2.15 per share, totalling EUR6,450,000.00,

from the net profit amounting to EUR6,450,731.19 and carrying forward the remainder of EUR731.19.

BURGENLAND HOLDING AG

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