

2003
2004

Interim Report 2003/04

October 1, 2003 - December 31, 2003

Foreword of the Managing Board

Dear Shareholders,

The first quarter of the 2003/04 fiscal year has been satisfactory for Burgenland Holding AG, whose success is determined mainly by the dividends it receives from its stakes in BEWAG and BEGAS. As neither company distributed dividends in the first quarter of 2003/04 – as was the case in the corresponding period in the previous year – and Burgenland Holding has thus not received any pertinent investment income, it has been possible to maintain last year's profit level for the reporting period

Challenging environment

Energy and infrastructure providers are facing huge challenges: Internationally, the energy sector continues to be marked by increasing demand – electricity consumption has been increasing by around 2% annually for years – as well as high purchasing prices for gas, coal and electricity. Appropriate provisions to meet this increased demand need to be taken.

With consumers expecting high quality levels of energy supply, safeguarding a reliable framework is becoming an ever more important priority. This includes ensuring a sufficient level of regional production and a high distribution standard.

Due to the discussion of relevant legal regulations, the issues of implementing the Kyoto goals and the introduction of Pan-European CO₂ emission trading are also gaining importance. The CO₂ issue includes not only aspects of climate protection, but also questions of secure planning concerning location and investments, where a variety of objectives need to be balanced to find a sustainable and sound basis.



Burkhard Hofer

Eisenstadt,
February 2004

Outlook

The Austrian electricity sector is still actively working on implementing the „Austrian Energy Solution“, which the European Commission has already approved in principle. We are optimistic that the conditions laid down by the Commission can be met by the relevant deadline, which has been extended to April 11, 2004. The close cooperation of all partners, among them BEWAG and BEGAS, yields synergies and economies of scale and ensures a competitive size of operations also in the European context.



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Energizing the Burgenland

Burgenland Holding AG

The shares of Burgenland Holding AG (capital stock: EUR 21.81m) are listed on the Official Market of the Vienna Stock Exchange under ISIN 00000640552. EVN AG holds a stake of 68,91% of the capital stock of Burgenland Holding AG, while Wiener Stadtwerke 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 stockholder holds more than 5%.

Burgenland Holding AG continues to hold a 49% stake in Burgenländische Elektrizitätswirtschafts-AG's (BEWAG's) capital stock of EUR 34.883m. 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 capital stock of Burgenländische Erdgasversorgungs-AG (BEGAS). The remaining shares are held by BEGAS-Gemeindeanteilsverwaltung AG (GAV), whose shareholders are exclusively the municipalities supplied by BEGAS.

Highlights 1st quarter 2003/04

Facts

- Recommendation to the AGM: Dividend of EUR 1.02 per share
- Satisfactory performance of BEWAG and BEGAS against the backdrop of a changing competitive environment

Figures

Burgenland Holding AG		2003/04 1 st quarter	2002/03 1 st quarter	Change %
Balance sheet total	EUR m	72.3	72.3 ¹⁾	-0.1
Shareholders' equity	EUR m	72.2	72.2 ¹⁾	-0.0
Net profit for the period	EUR m	-0.02	-0,02	-

¹⁾ as of 30 September 2003

Burgenland Holding AG

1st Quarter 2003/04

Income situation

As the associated companies BEWAG and BEGAS did not distribute dividends in the first quarter of 2003/04, Burgenland Holding has not yet received any investment income.

Balance sheet and capital structure

Burgenland Holding's sound capital structure remained basically unchanged compared to the corresponding period last year. The balance sheet total stood at EUR 72.3m, down 0.1% on the previous year.

At the 15th Annual General Meeting to be held on March 30, 2004, the management board will propose to distribute EUR 3.060m of the net profit amounting to EUR 3.062m to shareholders, which represents a dividend of EUR 1.02 (previous year: EUR 1.02) per share, and to carry forward the remainder of EUR 2,480.38.

Burgenland Holding AG

		2003/04 1 st quarter	2002/03 1 st quarter	Change %
Balance sheet total	EUR m	72.3	72.3 ¹⁾	-0.1
Shareholders' equity	EUR m	72.2	72.2 ¹⁾	-0.1
Debt capital	EUR m	0.04	0.11 ¹⁾	-63.9
Net profit for the period	EUR m	-0.02	-0.02	-

¹⁾ as of 30 September 2003

The Burgenland Holding Share

Aided by the very favourable development on the international stock markets, the ATX Vienna stock market index managed to continue its rise throughout the reporting period of October 2003 to December 2003, showing an increase of 14.30%. The WBI also increased by 12.58%.

The DOW JONES EURO STOXX UTILITIES industry index also surged by 15.06%.

The most important international stock markets were supported by the continued positive economic data in the reporting period, with the Dow Jones Index rising by 12.71% and the German DAX soaring 21.75%.

In the same period, the Burgenland Holding share held steady at EUR50.00, with the share having a weighting of 0.35% in the WBI (Vienna Stock Exchange Index) as of December 30, 2003.

Performance

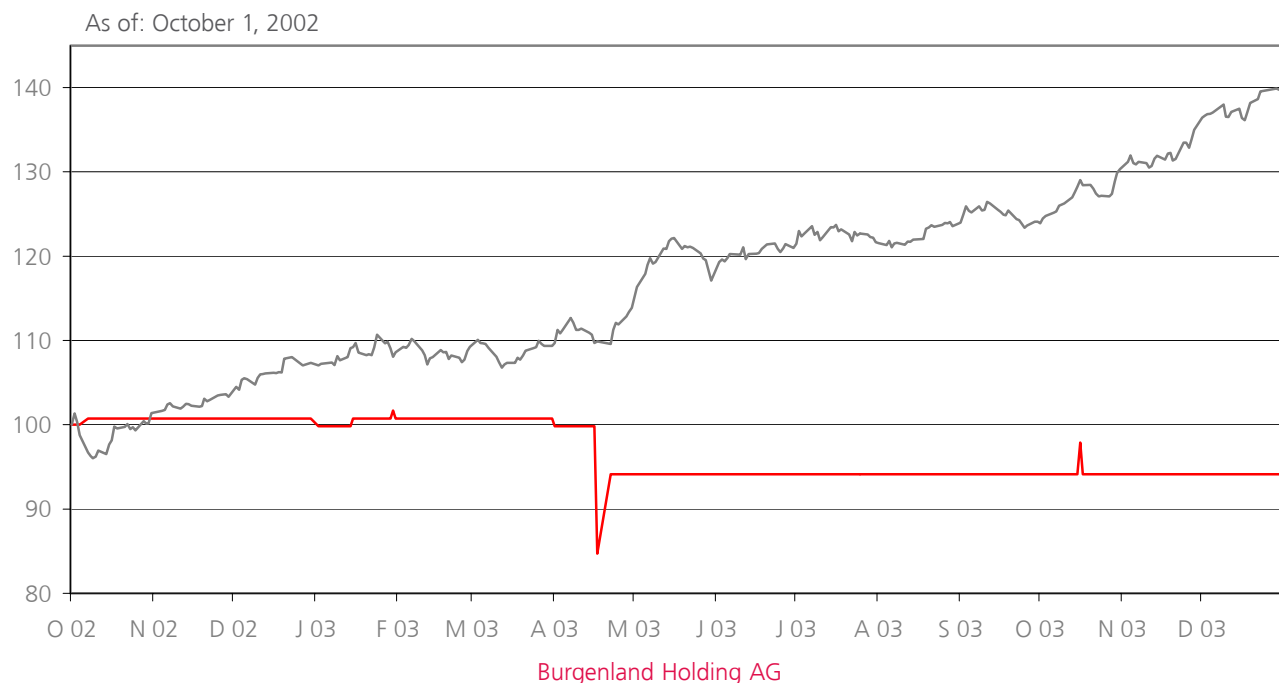
		2003/04 1 st quarter	2002/03 1 st quarter
Average daily volume	No.	84	61
Total stock volume	EUR m	0.25	0.2
Stock price high	EUR	52.00	53.50
Stock price low	EUR	50.00	53.10
Stock price as of closing date	EUR	50.00	53.50
Market capitalisation as of closing date	EUR m	150.00	161.00
Weighting in the WBI	%	0.35	0.53

Basic information

Share capital	EUR 21.81m
Denomination	3 m non-par value shares
Majority shareholder	EVN AG
ISIN Code	AT0000640552
Ticker Symbols	BHAV.VI (Reuters); BURG AV (Bloomberg); AT;BHD (Dow Jones)
Stock exchange listing	Vienna

Financial calendar for investors see back of the leaflet

Burgenland Holding Share price/WBI (%) ■ Burgenland Holding AG ■ WBI



BEWAG: Short business year 2003

1 April 2003 to 30 September 2003

Information on the performance refers to the pro-forma consolidated statements of BEWAG AG and BEWAG Energievertrieb GmbH&Co KG (no consolidation according to the Austrian Commercial Code) as of the balance sheet date of September 30.

Due to the harmonisation of the fiscal years within EnergieAllianz and between BEWAG AG (original balance sheet date: March 31) and BEWAG Energievertrieb GmbH&Co KG, the balance sheet date has now been uniformly moved to September 30.

Sales and supply

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

Income situation

The 4.7% increase in revenues compared to the corresponding period of the previous year, to EUR 57.4m, can be put down mainly to the increase in sales volume, which – together with a return of 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 13.38m marked an increase of 3.1%, compared to the corresponding period of the previous year.

Balance sheet and capital structure

As of September 30, 2003, the balance sheet total amounted to EUR 376.8m. Shareholder's equity including untaxed reserves rose by 9% to EUR 170.2m, resulting in an equity ratio of 45.2%.

BEWAG

		2003/04 shortened FY ¹⁾	2002/03 (first six month) ²⁾	Change %
Total electricity sales	m kWh	604.0	578.0	+4.5
Revenues	EUR m	57.4	54.8	+4.7
Pre-tax profit	EUR m	13.3	12.9	+3.1
Balance sheet total	EUR m	376.8	379.9	-0.8
Shareholders' equity ³⁾	EUR m	170.2	156.1	+9.0
Operating cash-Flow	EUR m	-1.2 ⁴⁾	8.9	

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

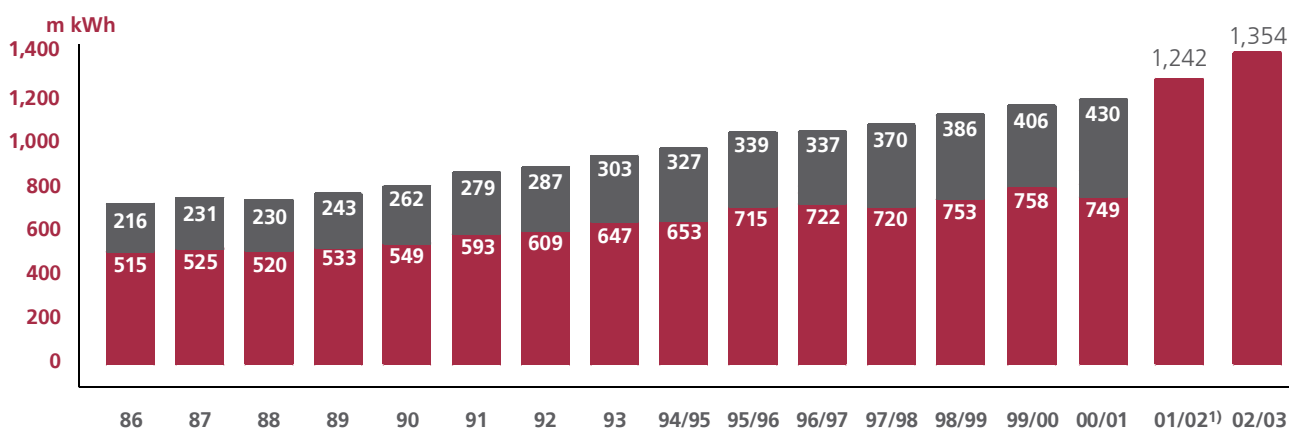
²⁾ April 1, 2002 – September 30, 2002 (first six months of the 2002/03 business year)

³⁾ including untaxed reserves

⁴⁾ The negative cash flow (-EUR 1.2m) results from participating in the BEWAG-group cash pooling. Leaving those amounts in the fund would result in a positive cash flow of EUR 12.7m.

Customers development

■ Special-tariff customers ■ Domestic customers



¹⁾ As of the 2001/02 business year, no differentiation is made any more between domestic and special-tariff customers.

BEGAS - 2002/03 business year

1 October 2002 to 30 September 2003

Information on the performance refers to the forecast pro-forma consolidated financial statements of BEGAS, BEGAS Energievertrieb GmbH&Co KG, and BEGAS – Wärme & Service GmbH (no consolidation according to the Austrian Commercial Code).

As the financial statements for BEGAS were still being prepared at the editorial deadline, the following figures are to be regarded as preliminary.

Natural gas sales

In total, 171.8m m³ of natural gas was sold from October 2002 to September 2003. This represents an increase of 1.7% compared to the same period in the previous year, which is due to the increase in customers and the cold climate in the winter months of the 2002/03 business year.

Income situation

The BEGAS Group generated revenues of EUR 53.5m in the 2002/03 business year. As of October 1, 2002, industrial customers were transferred to the newly founded EconGas GmbH, in which BEGAS holds a 2.6% stake.

BEGAS

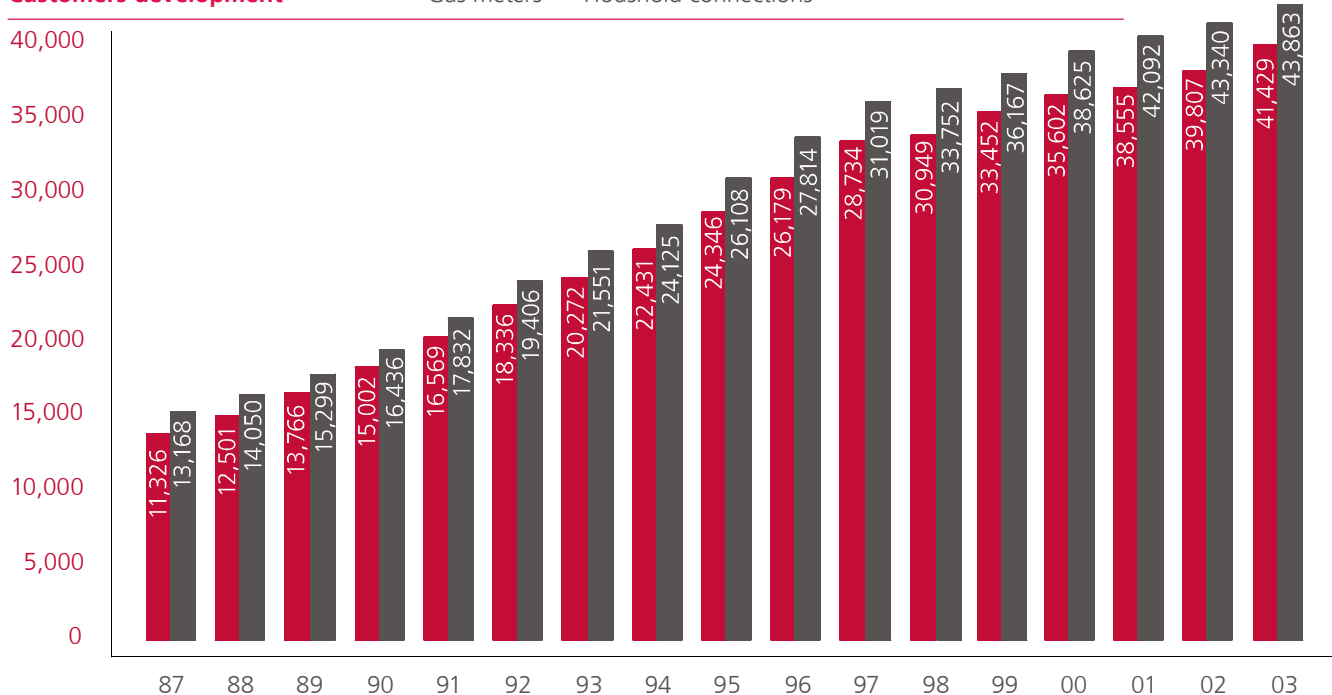
		2002/03 ¹⁾ business year	2001/02 ²⁾ Short business year
Industrial customers	m m ³	19.3	80.3
Households and small businesses	m m ³	91.4	74.6
Total natural gas sales	m m ³	171.8	154.9
Revenues	EUR m	53.5	49.0

¹⁾ Preliminary figures

²⁾ November 1, 2001 – September 30, 2002

Customers development

■ Gas meters ■ Household connections



Financial Calendar 2003/04¹⁾

AGM	March 30, 2004
Ex-dividend date	April 5, 2004
Dividend payment	April 8, 2004
Half year results	May 27, 2004
Results 3rd quarter	August 27, 2004
Annual results 2003/04	December 16, 2004

¹⁾ preliminary

03
04