

2003
2004

Interim Report 2003/04

October 1, 2003 - March 31, 2004

Foreword of the Managing Board

Ladies and Gentlemen, dear shareholders,

The first half of the 2003/04 business year was very satisfactory for Burgenland Holding AG, whose success is determined mainly by the dividends it receives from its stakes in BEWAG and BEGAS. As both companies already distributed their dividends in the first half of the 2003/04 business year, Burgenland Holding has managed to show an increase in investment income over the previous year.

„Austrian Electricity Solution“

Verbundgesellschaft has sold its shares in its key account sales division to Istrabenz from Slovenia, thereby fulfilling a major prerequisite for the realisation of the „Austrian Electricity Solution“. The joint enterprises for trading and key account sales – APT and „e&s neu“ – are to take up operations in the near future.

The basis to ensure sustainable competitiveness of the companies involved has thus been created against the backdrop of the political changes in Europe. Restructuring the energy sector within the framework of the „Austrian solutions“ for electricity and gas is expected to improve the cost structures on a scale of approximately 80 million EUR per year.



Burkhard Hofer

Eisenstadt, May 2004



Michael Gerbavits

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Energizing the Burgenland

Burgenland Holding AG

The shares of Burgenland Holding AG (share capital: EUR 21.81m) are listed on the Official Market of the Vienna Stock Exchange under ISIN AT00000640552. EVN AG holds a stake of 69.03% of the share capital of Burgenland Holding AG, while Wiener Stadtwerke AG Holding AG and Burgenländische Elektrizitätswirtschafts-AG (BEWAG) hold between 5% and 10% each. Verbund Austrian Hydro Power AG holds more than 10%, and no other shareholder holds more than 5%.

Burgenland Holding AG continues to hold a 49% stake in Burgenländische Elektrizitätswirtschafts-AG's (BEWAG's) share capital of EUR 34.88m. The remaining 51% of the shares are held by the Province of Burgenland.

The share capital of Burgenländische Erdgasversorgungs-AG (BEGAS), in which Burgenland Holding AG continues to hold a 49% stake, amounts to EUR 7.44m. The remaining shares are held by BEGAS-Gemeindeanteilsverwaltung AG (GAV), whose shareholders are exclusively the municipalities supplied by BEGAS.

Highlights 1st Half Year 2003/04

Facts

- Increase in investment income (distribution of BEWAG dividend already in the first six months)
- Austrian Electricity Solution about to be implemented
- Satisfactory performance of BEWAG and BEGAS against the backdrop of a changing competitive environment

Figures

Burgenland Holding AG		2003/04 HY. 1	2002/03 HY. 1	Change %
Balance sheet total	EUR m	75.6	72.3 ¹⁾	+4.4
Shareholder's equity	EUR m	72.4	72.2 ¹⁾	+0.3
Net profit for the period	EUR m	3.25	0.55	-

¹⁾ as of September 30, 2003

Burgenland Holding AG half year 2003/04

Income situation

In the first half year of 2003/04, Burgenland Holding received investment income of EUR3.31 (previous year: EUR0.60m), which was composed of the dividend from BEWAG amounting to EUR2.65m and the dividend from BEGAS amounting to EUR0.66m.

Due to the harmonisation of the fiscal years within EnergieAllianz, BEWAG prepared statements for a short business year from April 1, 2003, to September 30, 2003. This shortened business year notwithstanding, BEWAG's AGM – on proposal from the management board – decided to distribute a dividend at the same level as in the previous year. The shift of the balance sheet date resulted in BEWAG's dividend being distributed already in the first half of the business year – unlike in previous years – which led to the increase in investment income stated.

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 75.55m, up 4.4% on the previous year. The main reason for this increase is the fact that the distribution of a dividend of EUR 3.06m (EUR 1.02 per share), decided at the 15th Annual General Meeting held March 30, 2004, has not been effected at the closing date of the reporting period (March 31, 2004).

Burgenland Holding AG

		2003/04	2002/03	Change
		1 st six months	1 st six months	%
Balance sheet total	EUR m	75.6	72.3 ¹⁾	+4.4
Shareholder's equity	EUR m	72.4	72.2 ¹⁾	+0.3
Debt capital	EUR m	3.12	0.11 ¹⁾	-
Net profit for the period	EUR m	3.25	0.55	-

¹⁾ as of September 30, 2003

The Burgenland Holding Share

The international stock markets were unable to further extend their good performance from October to December 2003, but managed to offset the losses they had incurred in early March as a result of economic and political uncertainties by the end of March. Thus, from October 2003 to March 2004, the **Dow Jones Industrial Average** rose by 11.7%, while the German **DAX** increased 18.2%.

Vienna's **ATX** managed to clearly outperform the international indices and surged by 38.1%, with the WBI also soaring by 31.3%.

The DOW JONES EURO STOXX UTILITIES industry index rose 23.4%.

In the same period, the Burgenland Holding share showed only slight fluctuations and held steady at •51.00, with the share having a weighting of 0.30% in the WBI as of March 31, 2004.

Performance

		2003/04 1 st six months	2002/03 1 st six months
Average daily volume	No.	124	58
Total share volume	EUR m	0.76	0.38
Share price high	EUR	52.00	54.00
Share price low	EUR	49.90	53.00
Share price as of closing date	EUR	51.00	53.50
Market capitalisation as of closing date	EUR m	153.00	160.00
Weighting in the WBI	%	0.30	0.52

Basic information

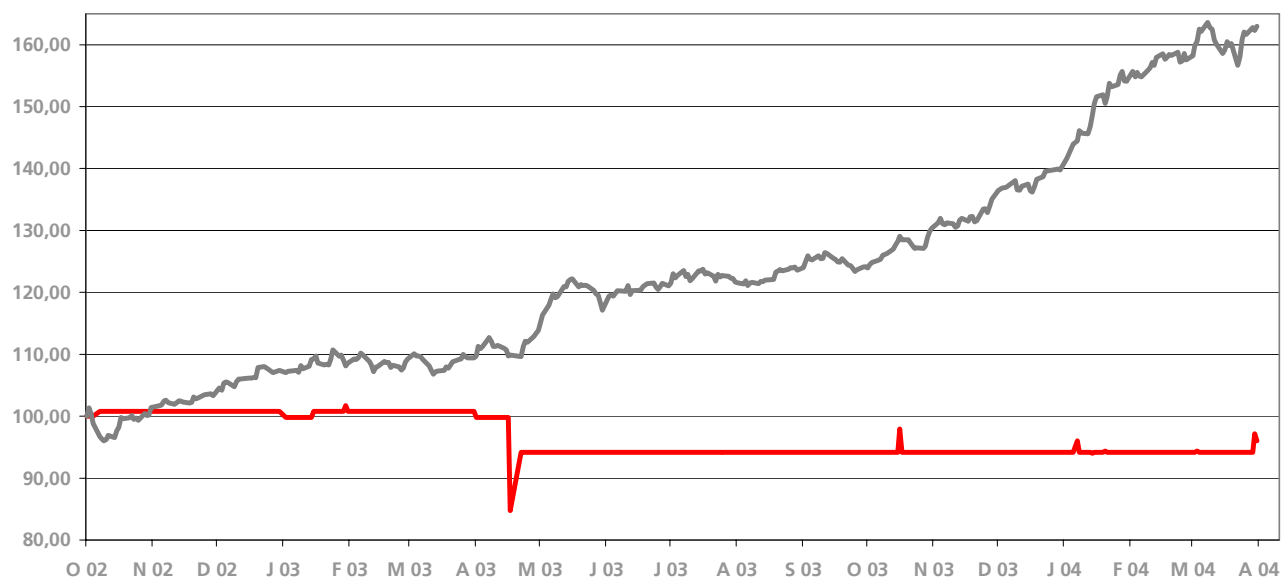
Share capital	EUR 21.81m
Denomination	3 m non-par value shares
Majority shareholder	EVN AG
ISIN Code	AT0000640552
Ticker Symbols	BHAV.VI (Reuters); BURG AV (Bloomberg); AT;BHD (Dow Jones)
Stock exchange listing	Vienna

Burgenland Holding Share price/WBI (%)

■ Burgenland Holding AG

■ WBI

As of: October 1, 2002



BEWAG: First Quarter of 2003/04

October 1, 2003 – December 31, 2003

Information on the performance refers to the financial statements of BEWAG AG and BEWAG Energievertrieb GmbH&Co KG consolidated by management (no consolidation within the meaning of the Commercial Code).

Due to the harmonisation of the 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 first quarter of the 2003/04 business year, BEWAG's electricity supply amounted to 389.6 GWh, which corresponds to a decrease from the corresponding period of the previous year of about 2.8%. At 371.6GWh, sales to domestic and special-tariff customers were 0.9% lower than in the corresponding period of the previous year, which can be put down to a loss of customers. In addition, 7.1GWh of eco-electricity had been sold to other electricity providers in one-off sales in the corresponding quarter of the previous fiscal year.

Income situation

The 6.6% increase in revenues compared to the corresponding period of the previous year, to EUR37.3m, can be put down mainly to the adjustment of energy sales prices and the increase in grid volume, which helped to compensate for the grid price reduction as of November 1, 2003.

The pre-tax profit of EUR10.5m marked an increase of 10.5% compared to the corresponding period of the previous year.

Balance sheet and capital structure

As of December 31, 2003, the balance sheet total amounted to EUR 362.8m. Equity capital including untaxed reserves rose by 9.1% to EUR 180.6m, resulting in an equity ratio of 49.8%. The cash flow amounted to EUR 0.7m; taking into account the short-term funds invested in cash pooling would result in a positive cash flow of EUR 8.2m.

BEWAG

		2003/04 1 st six months ¹⁾	2002/03 1 st six months ²⁾	Change %
Total electricity sales	m kWh	371.6	375.0	-0.9
Revenues	EUR m	37.3	35.0	+6.6
Pre-tax profit	EUR m	10.5	9.5	+10.5
Balance sheet total	EUR m	362.8	383.9	-5.5
Equity capital ³⁾	EUR m	180.6	165.5	+9.1
Cash-Flow	EUR m	0.7	-11.3	

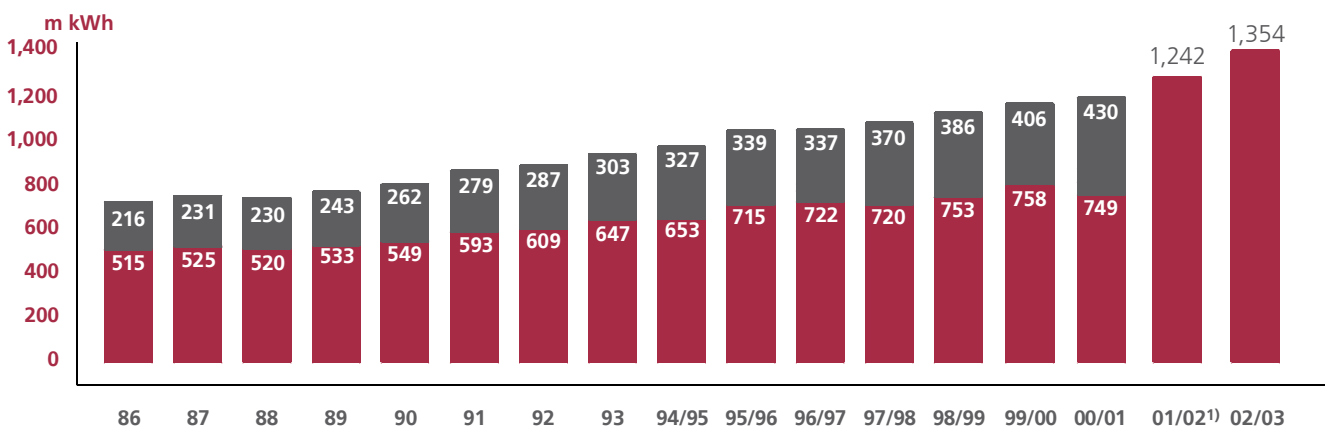
¹⁾ October 1, 2003 - December 31, 2003 (first quarter of the 2003/04 fiscal year)

²⁾ October 1, 2002 - December 31, 2002 (third quarter of the 2002/03 fiscal year)

³⁾ including untaxed reserves

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.

Development of BEGAS in the first quarter of 2003/04

October 1, 2003 – December 31, 2003

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

Natural gas sales

The reporting period covers the first quarter of the 2003/04 business year. In total, 56.9m m³ of natural gas was sold in this period. This represents a decrease of 2.9% from the same period in the previous year, which is due to the cold, yet milder temperatures as compared to the previous year.

While sales volume to industrial customers dropped by 20.2% as a result of a loss of production of a major customer, BEGAS managed to increase sales volume to households and small businesses by 4.7%.

Income situation

The BEGAS Group generated revenues of approximately EUR 17.4m in the reporting period for the 2003/04 fiscal year.

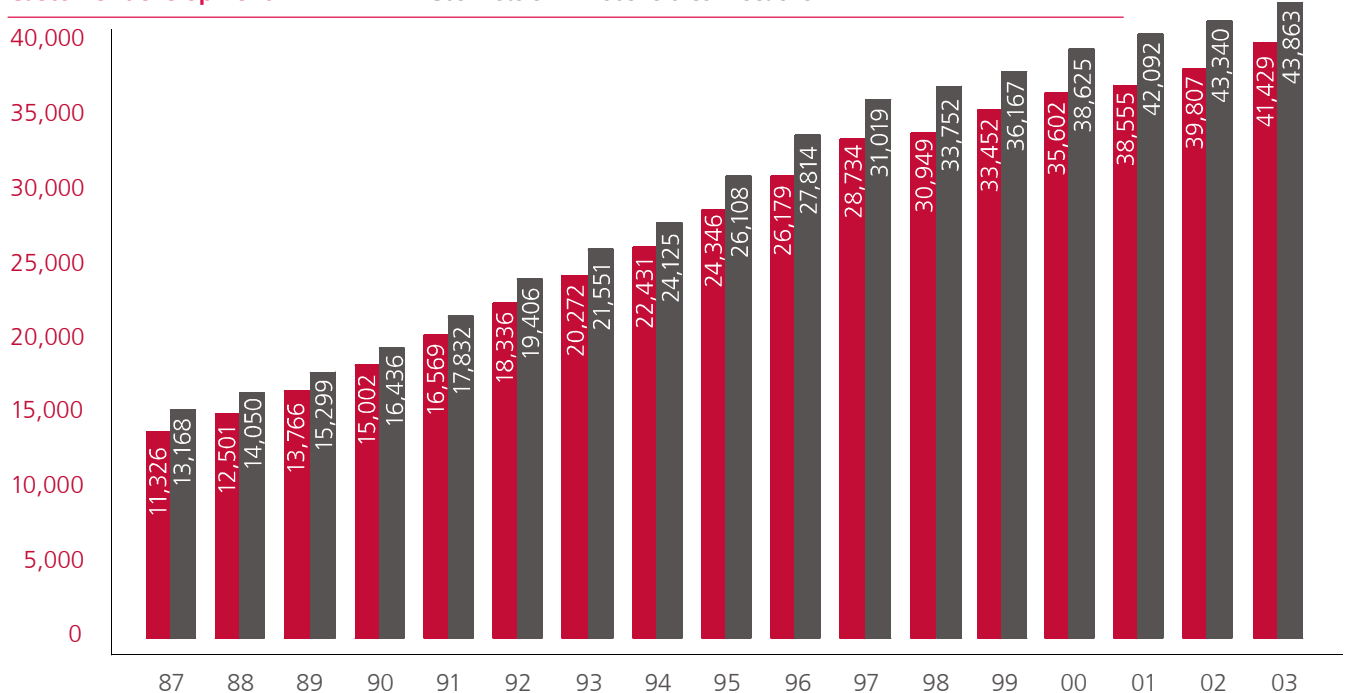
Despite the loss in sales volume, revenues rose by 1.8% compared to the corresponding period in the previous year.

BEGAS

		2003/04 1 st six months	2002/03 1 st six months
Industrial customers	m m ³	14.2	17.8
Households and small businesses	m m ³	42.7	40.8
Total natural gas sales	m m ³	56.9	58.6
Revenues	EUR m	17.4	17.1

Customer development

■ Gas meters ■ Household connections



Financial Calendar 2003/04¹⁾

Result 3rd quarter
Result for the full year 2003/04

August 27, 2004
December 16, 2004

¹⁾ preliminary

03
04