

2003
2004

Interim Report 2003/04

October 1, 2003 - June 30, 2004

Foreword of the Management Board

**Ladies and Gentlemen,
dear shareholders,**

the first three quarters of the 2003/04 business year were very satisfactory for Burgenland Holding AG, whose success is determined mainly by the dividends it receives from its stakes in BEWAG and BEGAS. The 1.9% increase in Burgenland Holding's investment income results from the higher dividend distributed of BEGAS in contrast to last years lower dividend, due to the shortened 2001/02 business year of BEGAS.

Restructuring of the Austrian Energy Market

After receiving the official authorisation from the Brussels regulators, the „Austrian Electricity Solution“ partners – which, in addition to BEWAG, comprise the other members of EnergieAllianz (EVN, Energie AG, Linz AG and Wien Energie) as well as Verbundgesellschaft – defined October 1, 2004, as the official start of operations. This will create one of Europe's top ten electricity trading houses as well as a large customer sales company which will assume a leading role in Central Europe at least.

We are confident that – following the long authorisation phase – the „Austrian Electricity Solution“ is now in a position to exploit the opportunities provided by liberalisation in the same successful manner as EconGas. This joint subsidiary of the EnergieAllianz partners and OMV had a very strong showing in the 2003/04 business year and has thus firmly established itself as a major player in the Central European large customer gas business beyond Austria's borders.



Burkhard Hofer



Michael Gerbavits

Eisenstadt, August 2004

Burgenland Holding AG

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Energizing 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 AT00000640552. EVN AG holds a stake of 69.05% of the share capital 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 shareholder holds more than 5%.

Burgenland Holding AG continues to hold a 49% stake in Burgenländische Elektrizitätswirtschafts-AG's (BEWAG's) share capital of EUR34.88m. 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 maintains to hold a 49% stake, amounts to EUR7.44m. The remaining shares are held by BEGAS-Gemeindeanteilsverwaltung AG (GAV), whose shareholders are exclusively the municipalities gas-supplied by BEGAS.

Highlights 1Q to 3Q of 2003/04

Facts

- Higher sales revenues of BEWAG and BEGAS
- BEWAG: resolution to keep dividend at last year's level
- Austrian Electricity Solution about to be implemented

Figures

| Burgenland Holding AG | | 2003/04 Q1-3 | 2002/03 Q1-3 | Change % |
|------------------------------|-------|-------------------------|-------------------------|---------------------|
| Balance sheet total | EUR m | 72.5 | 72.3 ¹⁾ | +0.2 |
| Shareholder's equity | EUR m | 72.4 | 72.2 ¹⁾ | +0.2 |
| Net profit for the period | EUR m | 3.24 | 3.16 | +2.3 |

¹⁾ as of September 30, 2003

Burgenland Holding AG first three quarters 2003/04

Income situation

In the first three quarters of 2003/04, Burgenland Holding received investment income of EUR3.31m (previous year: EUR3.25m), which was composed of the dividend from BEWAG amounting to EUR2.65m and the dividend from BEGAS amounting to EUR0.66m. The 1.9% increase in Burgenland Holding's investment income results from the higher dividend distributed of BEGAS in contrast to last years lower dividend, due to the shortened 2001/02 business year.

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 EUR72.5m, up 0.2% on the previous year.

The 15th Annual General Meeting, held March 30, 2004, resolved to distribute a dividend of EUR3.06m (EUR1.02 per share) to the shareholders.

Burgenland Holding AG

| | | 2003/04 Q1-3 | 2002/03 Q1-3 | Change % |
|---------------------------|-------|-----------------|--------------------|-------------|
| Balance sheet total | EUR m | 72.5 | 72.3 ¹⁾ | +0.2 |
| Shareholder's equity | EUR m | 72.4 | 72.2 ¹⁾ | +0.2 |
| Debt capital | EUR m | 0.07 | 0.11 ¹⁾ | -31.7 |
| Net profit for the period | EUR m | 3.24 | 3.16 | +2.3 |

¹⁾ as of September 30, 2003

The Burgenland Holding Share

From October 2003 to June 2004, the international stock markets were unable to further extend their good performance at the rate shown in the months before. As a result of economic and political uncertainties, the momentum clearly subsided and share prices started to level off in March. From October 2003 to June 2004, the **Dow Jones Industrial Average** rose by 12.5%, while the German **DAX** increased 24.4%.

Vienna's **ATX** continued to clearly outperform the international indices and surged 47.2%, with the **WBI** also soaring 39.0%.

The **DOW JONES EURO STOXX UTILITIES** industry index, relevant for **Burgenland Holding**, rose 29.6%.

In the same period, the Burgenland Holding share showed a slightly positive tendency and held steady at EUR51.9, with the share having a weighting of 0.3% in the WBI as of June 30, 2004.

Performance

| | | 2003/04 Q1-3 | 2002/03 Q1-3 |
|--|-------|-----------------|-----------------|
| Average daily volume | No | 115 | 51 |
| Total share volume | EUR m | 1.053 | 0.49 |
| Share price high | EUR | 52.00 | 54.00 |
| Share price low | EUR | 49.01 | 45.00 |
| Share price as of the last trading day in June | EUR | 51.85 | 50.00 |
| Market capitalisation as of the last trading day in June | EUR m | 156.00 | 150.00 |
| Weighting in the WBI | % | 0.30 | 0.45 |

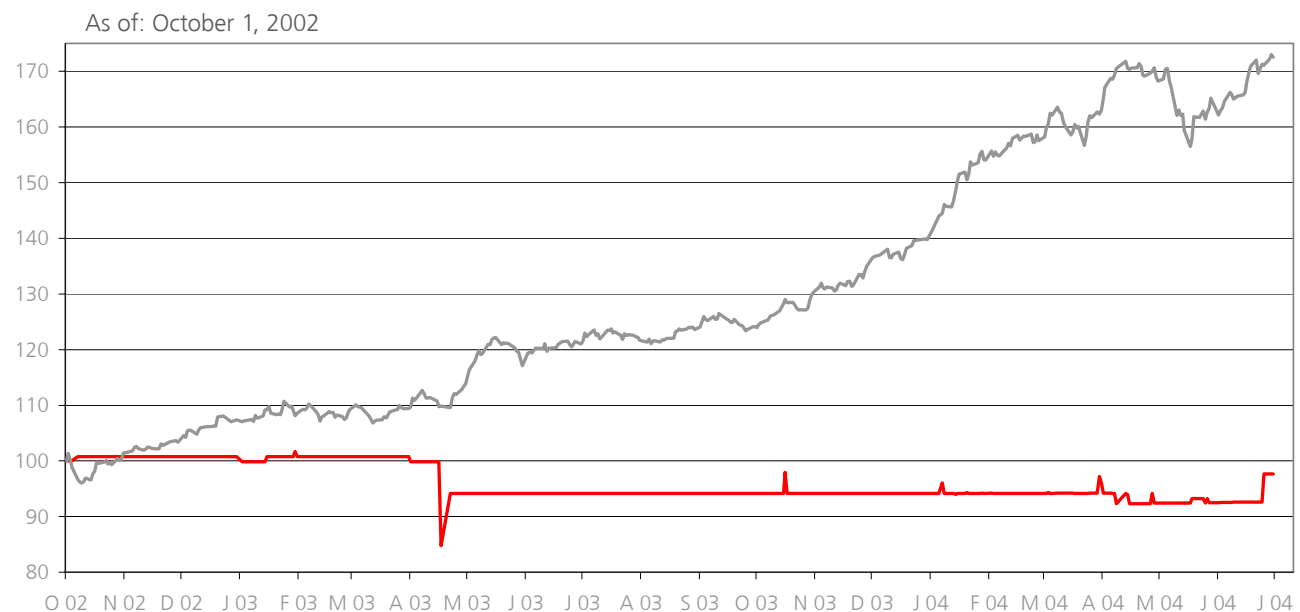
Basic information

| | |
|------------------------|--|
| 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



BEWAG: First Half Year of 2003/04

October 1, 2003 – March 31, 2004

Information on the performance refers to the „management-consolidated“ financial statements of BEWAG AG and BEWAG Energievertrieb GmbH&Co KG as of the balance sheet date of September 30 (no consolidation within the meaning of the Commercial Code).

Due to the harmonisation of the business years within EnergieAllianz, the balance sheet date of BEWAG AG (originally March 31) was moved to September 30 to coincide with that of BEWAG Energievertrieb GmbH&Co KG.

Sales and supply

In the first two quarters of the 2003/04 business year, BEWAG's electricity supply amounted to 787.3GWh, which marks a decrease compared with the corresponding period of the previous year of about 4.3%. At 748.6GWh, sales to domestic and special-rate customers were 3.6% 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 quarters of the previous business year.

Income situation

The 9.5% increase in revenues compared to the first six months of last year, to EUR74.6m, 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 EUR18.7m marked an increase of EUR5.8m over the comparable value of the year, the main reason for this development being value adjustments of financial assets effected as of March 31, 2003 (former balance sheet date of BEWAG AG).

Balance sheet and capital structure

As of March 31, 2004, the balance sheet total amounted to EUR364.5m. Equity capital including untaxed reserves rose by 13.2% to EUR183.7m, resulting in an equity ratio of 50.4%. The cash flow amounted to EUR0.9m; the negative figure for the previous year resulted primarily from investing liquid funds that are not part of the cash flow funds under the cash pooling arrangement.

BEWAG

| | | 2003/04 HY1 ¹⁾ | 2002/03 Q3-4 ²⁾ | Change % |
|------------------------------|-------|------------------------------|-------------------------------|-------------|
| Electricity sales | m kWh | 748.6 | 776.3 | -3.6 |
| Revenues | EUR m | 74.6 | 68.1 | +9.5 |
| Pre-tax profit | EUR m | 18.7 | 12.9 | +45.0 |
| Balance sheet total | EUR m | 364.5 | 368.3 | -1.0 |
| Equity capital ³⁾ | EUR m | 183.7 | 162.3 | +13.2 |
| Cash-Flow | EUR m | 0.9 | -18.8 | |

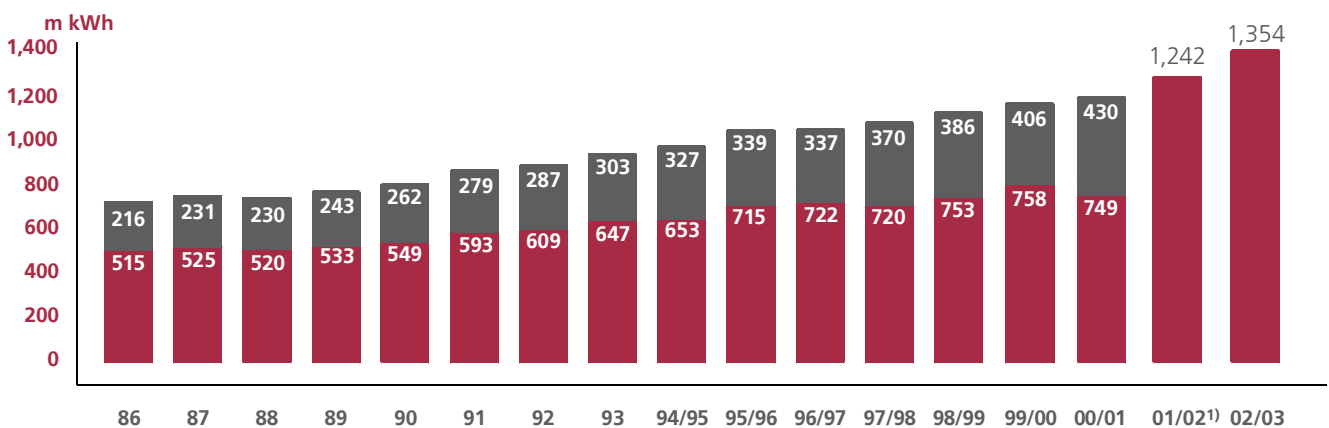
¹⁾ October 1, 2003 - March 31, 2004 (first half year of the 2003/04 fiscal year)

²⁾ October 1, 2002 - March 31, 2003 (third and fourth 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 longer between domestic and special-tariff customers.

Development of BEGAS in the first half year of 2003/04

October 1, 2003 – March 31, 2004

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

Natural gas sales

The reporting period covers the first two quarters of the 2003/04 business year. In total, 132.1m m³ of natural gas were sold in this time frame. This represents an increase of 0.6% over the same period in the previous year, which is due to the persistently cold weather in the reporting period.

While sales volume to industrial customers dropped by 5.4% as a result of a loss of production of a major customer, BEGAS managed to increase sales volume to households and small businesses by 2.8%.

Income situation

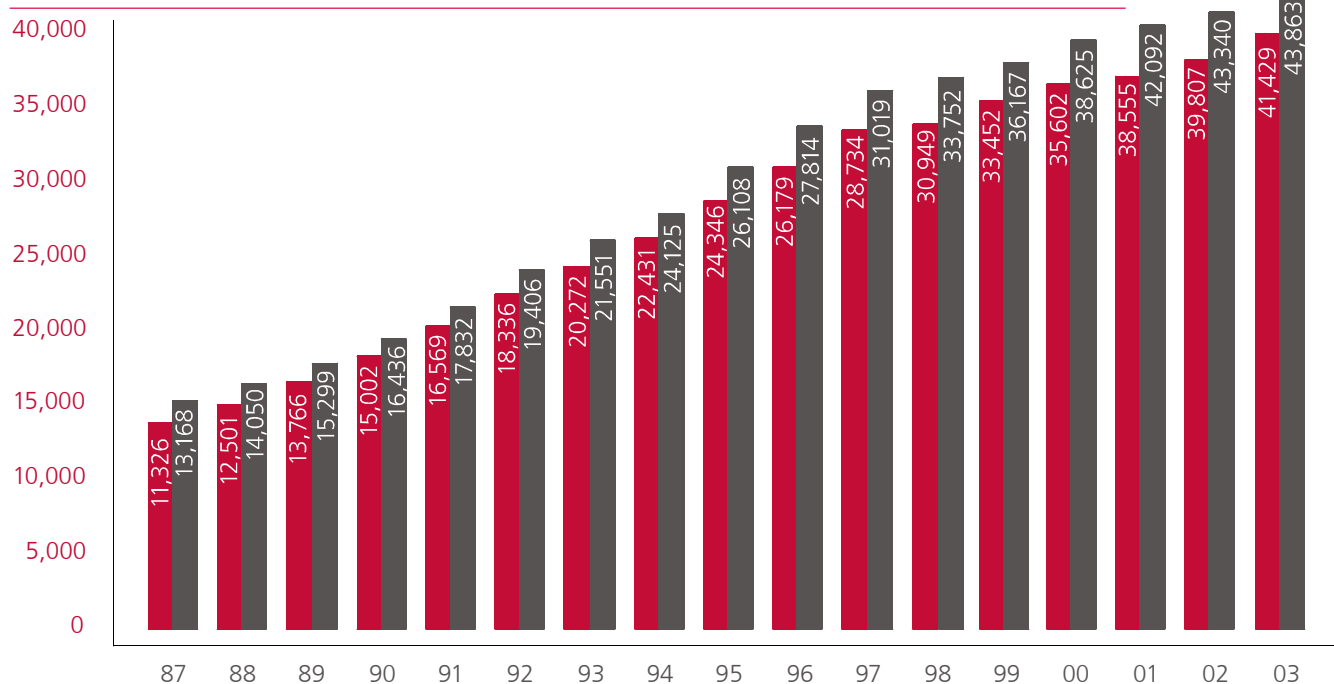
The BEGAS Group generated revenues of EUR40.6m in the reporting period for the 2003/04 business year. This represents an increase of 3.0% over the same period in the previous year, which results from rising sales due to the low temperatures.

BEGAS

| | | 2003/04 HY1 | 2002/03 HY1 | Change % |
|---------------------------------|------------------|----------------|----------------|-------------|
| Industrial customers | m m ³ | 33.6 | 35.5 | -5.4 |
| Households and small businesses | m m ³ | 98.5 | 95.8 | +2.8 |
| Total natural gas sales | m m ³ | 132.1 | 131.3 | +0.6 |
| Revenues | EUR m | 40.6 | 39.4 | +3.0 |

Customer development

■ Gas meters ■ Household connections



Financial Calendar 2003/04¹⁾

Annual Result 2003/04

December 16, 2004

¹⁾ preliminary

03
04