

2004  
2005

Interim Report 2005/05

October 1, 2004 - December 31, 2004

## Foreword of the Management Board

**Dear Sir or Madam,  
dear shareholders,**

The first quarter of the 2004/05 business year was 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 2004/05 – as was the case in the corresponding period in the previous year – and Burgenland Holding has thus not received any pertinent investment income, it was possible to maintain last year's profit level for the reporting period.

### **Striving to implement the „Austrian Electricity Solution“ as swiftly as possible**

In the course of the reporting period, EnergieAllianzAustria - which, in addition to BEWAG and BEGAS, comprises Energie AG, EVN, Linz AG and Wien Energie) – again confirmed its intentions to implement the „Austrian Electricity Solution“ and is in intense negotiations with Verbundgesellschaft to this effect. The plan is to merge significant parts of the electricity businesses of the partners involved and to transfer those parts to joint companies for supply, trading and key account management. In addition to strengthening the market positions of the companies involved, the „Austrian Electricity Solution“ above all secures domestic electricity from hydropower for Austrian households and at the same time prevents an increase in foreign dependence.



Burkhard Hofer



Michael Gerbavits

Eisenstadt, February 2005

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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 69.12% 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 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 continues 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 supplied by BEGAS.

## Highlights Q1 2004/05

### Facts

- Recommendation to the AGM: dividend payment of EUR 1.02/share
- Satisfactory development of BEWAG and BEGAS against the backdrop of a changing competitive environment

### Figures

Burgenland Holding AG		2004/05 Q1	2003/04 Q1	Change %
Balance sheet total	EUR m	72.4	72.5 <sup>1)</sup>	-0.1
Shareholder's equity	EUR m	72.4	72.4 <sup>1)</sup>	-
Net profit for the period	EUR m	-0.02	-0.02	-

<sup>1)</sup> as of September 30, 2004

## Burgenland Holding AG

### Q1 2004/05

#### Income situation

The first quarter of the 2004/05 business year was 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 2004/05 – as was the case in the corresponding period in the previous year – and Burgenland Holding has thus not received any pertinent investment income, it was possible to maintain last year's profit level for the reporting period.

#### 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 EUR72.4m, down 0.1% from the previous year. The decrease in creditors' funds results from the settlement of short-term liabilities in the reporting period.

At the 16<sup>th</sup> Annual General Meeting to be held March 31, 2005, the management board will move to distribute to the shareholders EUR3.060m of the net profit amounting to EUR3.062m as of September 30, 2004, which represents a dividend of EUR1.02 (previous year: EUR1.02) per share, and to carry forward the remainder of EUR2,633.91.

#### Burgenland Holding AG

		2004/05 Q1	2003/04 Q1	Change %
Balance sheet total	EUR m	72.4	72.5 <sup>1)</sup>	-0.1
Shareholder's equity	EUR m	72.4	72.4 <sup>1)</sup>	-
Debt capital	EUR m	0.04	0.11 <sup>1)</sup>	-63.7
Net profit for the period	EUR m	-0.02	-0.02	-

<sup>1)</sup> as of September 30, 2004

## The Burgenland Holding Share

From October to December 2004, the international stock markets managed to extend their good performance after suffering a brief setback early on in the quarter. In the reporting period, the Dow Jones Industrial Average rose by 7.1%, while the German DAX increased 9.3%.

By comparison, Vienna's ATX was even stronger and managed to yet again clearly outperform the international indices; it surged 19.0%, with the WBI also increasing by 16.5%.

The DOW JONES EURO STOXX UTILITIES industry index, relevant for Burgenland Holding, rose 11.1%.

In the same period, the Burgenland Holding share held steady, closing most recently at EUR49.1, with the share having a weighting of 0.23% in the WBI as of December 30, 2004.

### Performance

		2004/05 Q1	2003/04 Q1
Average daily volume	No	64	84
Total share volume	EUR m	0.185	0.25
Share price high	EUR	49.90	52.00
Share price low	EUR	49.15	50.00
Share price as of the last trading day in June	EUR	49.15	50.00
Market capitalisation as of the last trading day in June	EUR m	156.00	150.00
Weighting in the WBI	%	0.23	0.35

### 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, 2003



# BEWAG: 2003/04 Business Year

October 1, 2003 – September 30, 2004

Information on the performance refers to the consolidated financial statements of BEWAG as of the balance sheet date of September 30, 2004. Due to the harmonisation of the business years within EnergieAllianz, the balance sheet date of BEWAG AG and of most of its associated companies was moved to September 30.

Any comparison with the previous period has to be made keeping in mind that the previous period was a shortened business year (6 months).

## Highlights

- Positive development of sales revenues
- Expansion of wind activities (Austrian Wind Power)
- Further grid price reduction as of February 1, 2005

## Sales and supply

In the 2003/04 business year, BEWAG's electricity supply amounted to 1,373.3GWh, which corresponds to a decrease from the previous year of about 5.7%; at 1,302.6GWh, BEWAG-Energievertrieb GmbH & Co KG sales to final customers were 5.6% lower than in the previous year. These declines can be put down to customers switching to competitors. At the same time, grid sales rose by 2.6% to reach 1,403.3GWh.

## Income situation

Consolidated revenues amounted to EUR194.6m; given the shortened business year in the last period, this marked a positive development and can mainly be put down to BEWAG's wind activities. Consolidated pre-tax profit amounted to EUR36.9m.

## Balance sheet and capital structure

As of September 30, 2004, the balance sheet total amounted to EUR576.7m. Shareholders' equity including untaxed reserves rose 14.2% to EUR201.2m, resulting in an equity ratio of 34.9%. Operating cash flow amounted to EUR55.9m.

## Investments

The subsidiaries distributed approximately EUR3.6m to their parent BEWAG in the 2003/04 business year.

The BEWAG parent company and, starting from the 2003/04 business year, the group's wind activities were the main contributors to the results.

BECOM (production of electronics) showed a continued upward trend in its order book, exceeding its target revenues for the business year. Management expects further increases in revenues and earnings for the next business year.

Within the telecommunications sector, further expansion of broadband internet was a key issue. BKF, BEWAG's cable TV subsidiary, has added feedback channel capacity to another nine municipalities, which means that 18 municipalities now have the option of using broadband internet via cable.

Well.Com on its part has set up additional transmitters for wireless LAN broadband internet access and currently supplies 150 municipalities and districts. This extremely positive development is expected to continue.

Pinkafeld E-Werke GmbH again managed to increase its revenues in this business year, with pre-tax profit remaining unchanged from the previous year. The current order situation shows more growth ahead.

## BEWAG

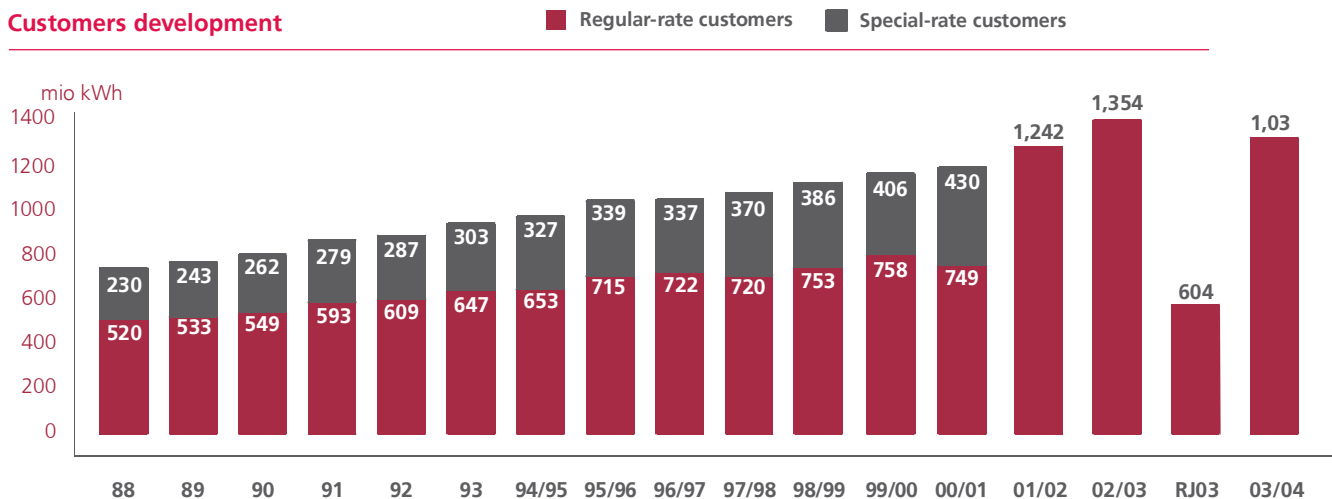
		2003/04 Business Year <sup>1)</sup>	2002/03 SBY 03 <sup>2)</sup>	Change %
Total electricity sales (energy)	GWh	1,302.6	604.0	-
Grid sales (utilisation)	GWh	1,403.3	602.7	-
Revenues	EUR m	194.6	79.8	-
Pre-tax profit	EUR m	36.9	17.2	-
Balance sheet total	EUR m	576.7	488.9	18.0
Equity capital <sup>3)</sup>	EUR m	201.2	176.2	14.2
Cash-Flow	EUR m	55.9	28.6	-

<sup>1)</sup> October 1, 2003 - September 30, 2004

<sup>2)</sup> April 1, 2002 - September 30, 2003 (shortened 2003business year)

<sup>3)</sup> including untaxed reserves

## Customers development



<sup>1)</sup> As of the 2001/02, the distinction between regular-rate and special-rate customers is no longer made. SFY 03 - shortened 2003 business year (April 1 to September 30, 2003)

## Development of BEGAS in the 2003/04 business year

October 1, 2003 – September 30, 2004  
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 within the meaning of the 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, 184.4m m<sup>3</sup> of natural gas is expected to have been sold from October 2003 to September 2004. This represents an increase of 7.3% compared to the same period in the previous year, which is due to the favourable development in the new-customer segment and the cold climate.

### Income situation

The BEGAS Group generated revenues of approximately EUR54.7m in the 2003/04 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.

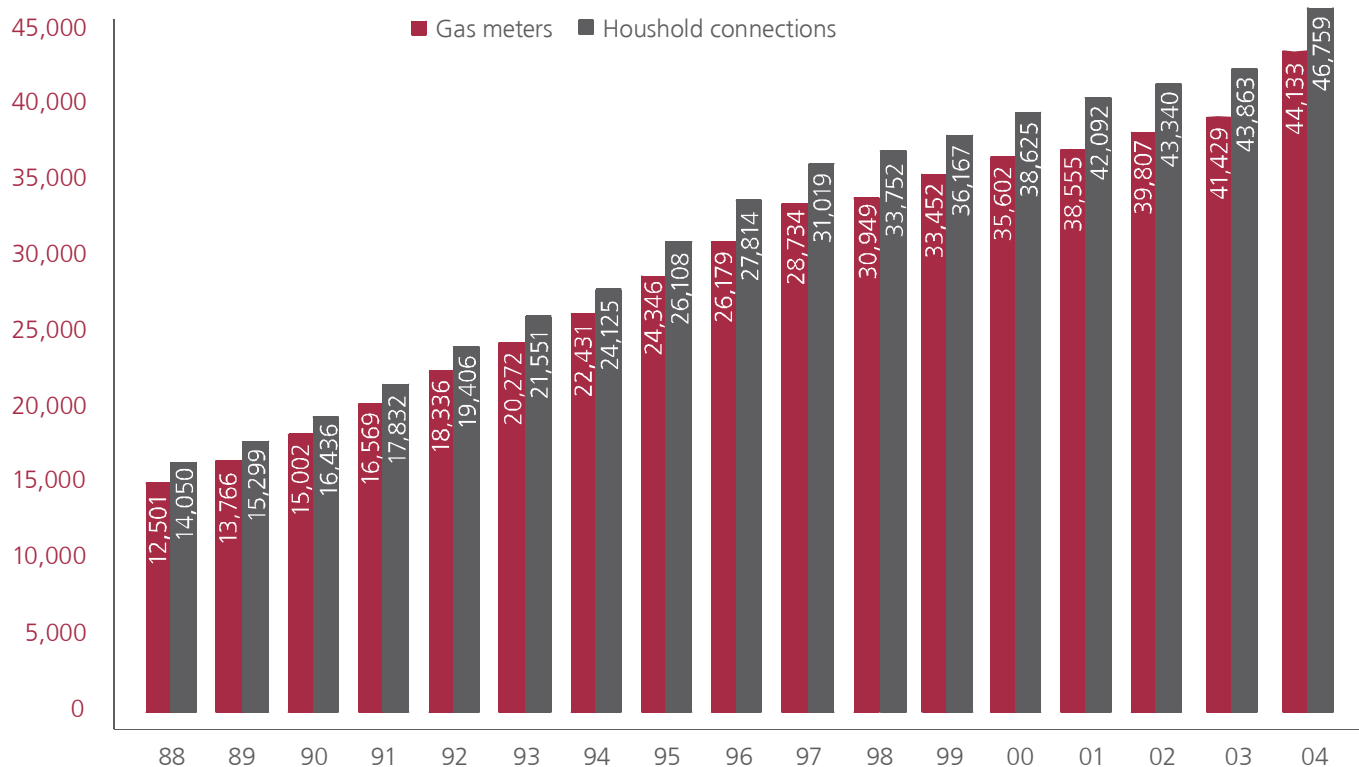
The sharp increase of pre-tax profit compared to last year's level, was due to the good financial result, the significant increase of grid sales and the rise of gas revenues during the 2003/04 business year.

### BEGAS

		2003/04 <sup>1)</sup>	2002/03	Change %
Total gas grid sales	m m <sup>3</sup>	192.9	171.8	12.3
Revenues	EUR m	54.7	47.1	16.1
Pre-tax profit	EUR m	14.6	4.6	217.4

<sup>1)</sup> preliminary figures

### Customer development



## Financial Calendar 2004/05<sup>1)</sup>

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AGM	March 31, 2005
Ex-dividend date	April 4, 2005
Dividend payout	April 8, 2005
Results first six months	May 24, 2005
Results 3rd quarter	August 25, 2005
Results for the full year 2004/05	December 15, 2005

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<sup>1)</sup> preliminary

04  
05