

2004
2005

Interim Report 2004/05

October 1, 2004 - June 30, 2005

Foreword of the Management Board



Ladies and Gentlemen,
Dear Shareholders,

The first three quarters of the 2004/05 business year showed a favourable development for Burgenland Holding AG, whose success is determined mainly by the dividends it receives from its stakes in BEWAG and BEGAS. As both companies have already distributed their dividends in the reporting period, it was possible to maintain last year's profit level for the first three quarters.

High-price period for electricity wholesale prices

In addition to persistently high prices for crude oil, natural gas and coal, the price of CO₂ emission certificates has more than tripled since the beginning of the year, which was caused by a shortage of available certificates. This alone means an additional 6 to 10 euros in cost for each megawatt hour (MWh) of electricity produced, which had to be covered by an increase in the wholesale price. Overall, since the start of the business year, the wholesale price for base load electricity on the futures market has risen by around 25%, from EUR35 to EUR43/MWh

In the long term, the fact that the Austrian energy industry is put at a disadvantage by the Austrian federal government in the distribution of emission certificates will lead to a situation in which domestic suppliers will seek additional capacity or capacity replacement in other countries. This will inevitably lead to a migration of the related investment and hence value added, as well as to a reduction in the high levels of security with regard to domestic supply we are used to.

Günther Ofner

Eisenstadt, August 2005

Michael Gerbavits

Implementation of the Austrian Electricity Solution

EnergieAllianz continues to push for the realisation of the Austrian Electricity Solution as hard as it can. In order to maintain the comparatively low price levels in Austria, the increasing oligopolisation in the European electricity market necessitates the creation of sufficiently large corporate units which can keep pace with international competition in the long term and thus secure the independence of Austria's energy supply.

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 AT0000640552. EVN AG holds a stake of 69.44% of the share capital of Burgenland Holding AG, while Wiener Stadtwerke 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-Q3 2004/05

Facts

- Investment income and net profit for the period at last year's level
- Unchanged balance sheet structure

Figures

Burgenland Holding AG		2004/05 Q1-Q3	2003/04 Q1-Q3	Change %
Balance sheet total	EUR m	72.7	72.5 ¹⁾	0.2
Shareholder's equity	EUR m	72.6	72.4 ¹⁾	0.2
Net profit for the period	EUR m	3.25	3.24	0.4

¹⁾ as of September 30, 2004

Burgenland Holding AG

Q1-Q3 2004/05

Income situation

In the first three quarters of 2004/05, Burgenland Holding received investment income of EUR3.324m (previous year: EUR3.317m), which was composed of the dividend from BEWAG amounting to EUR2.649m, the dividend from BEGAS amounting to EUR0.657m and the dividend from Wiener Börse AG in the amount of approximately EUR18,000.

Balance sheet and capital structure

Burgenland Holding's sound capital structure remained virtually unchanged compared to the corresponding period last year. The balance sheet total stood at EUR72.7m, up 0.2% on the previous year. At the 16th Annual General Meeting on March 31, 2005, it was agreed to distribute to the shareholders the amount of EUR3.06m of the net profit, which represents a dividend of EUR1.02 per share (previous year: EUR1.02).

Burgenland Holding AG

		2004/05 Q1-Q3	2003/04 Q1-Q3	Change %
Balance sheet total	EUR m	72.7	72.5 ¹⁾	0.2
Shareholder's equity	EUR m	72.6	72.4 ¹⁾	0.2
Debt capital	EUR m	0.07	0.07 ¹⁾	2.1
Net profit for the period	EUR m	3.25	3.24	0.4

¹⁾ as of September 30, 2004

The Burgenland Holding Share

In the reporting period from October 2004 to June 2005, the international stock markets continued their positive development. The Dow Jones Industrial Average, the most closely watched stock index, managed an increase of 1.9%, while the German DAX even rose by 17.8%.

Vienna's ATX index was again markedly more dynamic and clearly outperformed the international indices by posting an outstanding increase by 49.3%, with the WBI, the index of the Vienna Stock Exchange, also surging 44.9%.

The DOW JONES EURO STOXX UTILITIES industry index, relevant for Burgenland Holding, increased by 24.6%.

As in previous periods, the Burgenland Holding share held steady, closing at 49.2 at the end of the reporting period. The share had a weighting of 0.2% in the WBI as of June 30, 2005.

Performance

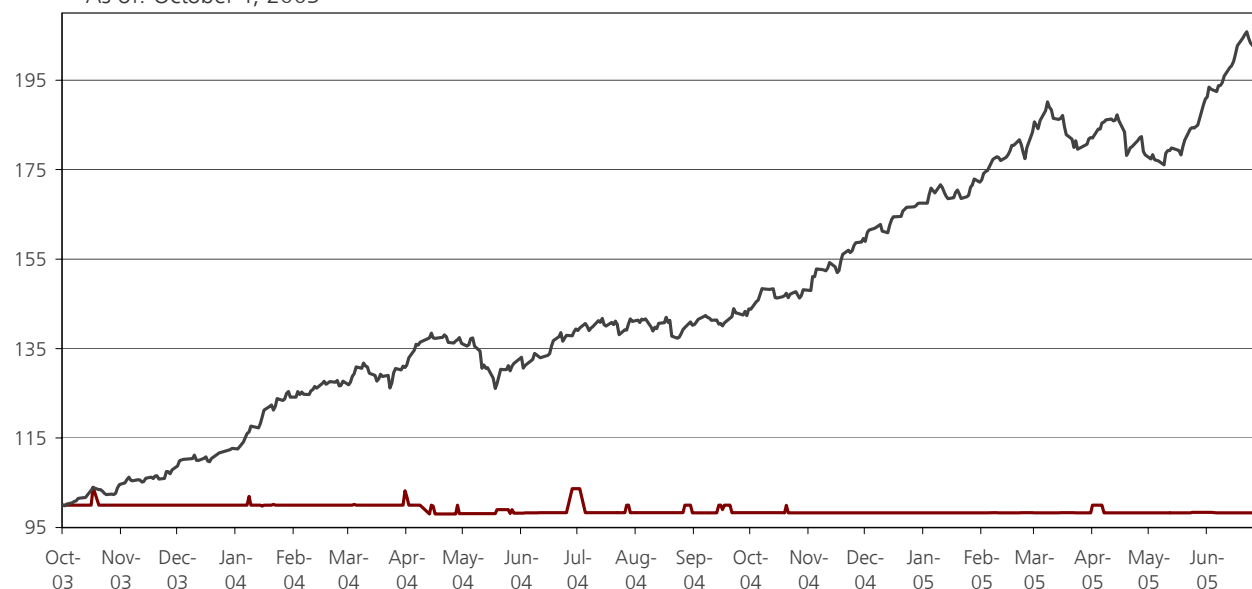
		2004/05 Q1-Q3	2003/04 Q1-Q3
Average daily volume	No	79	115
Total share volume	EUR m	0.71	1.05
Share price high	EUR	50.00	52.00
Share price low	EUR	49.15	49.01
Share price as of the last trading day in June	EUR	49.15	51.85
Market capitalisation as of the last trading day in June	EUR m	147.00	156.00
Weighting in the WBI as of the last trading day in June	%	0.16	0.30

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 1st six months of 2004/05

1. October 1, 2004 to March 31, 2005

The information on performance refers to the interim half-yearly group accounts of BEWAG as of March 31, 2005, drawn up for the first time. As no such interim group accounts were drawn up in the previous year, we will present the respective figures of the group accounts as of September 30, 2004, for comparison. Thus, it is not possible to compare those results directly.

Highlights

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

Sales and supply

In the first two quarters of the 2004/05 business year, BEWAG's electricity supply amounted to 739.4GWh. At 697.7GWh, sales from BEWAG – Energievertrieb GmbH & Co KG to final customers were about 6.8% below the figure for the corresponding period of the previous year (October 1, 2003 to March 31, 2004), which can be put down to a loss of customers to competitors. Compared to the first two quarters of the previous business year, grid sales rose about 1.8% to 800.5GWh.

Income situation

Revenues amount to approximately EUR115.8m. The increase in revenues can mainly be put down to the contributions of the wind companies, BECOM and Well.COM. Pre-tax profit is about EUR20.1m.

Balance sheet and capital structure

As of March 31, 2005, the balance sheet total amounted to EUR578.9m. Shareholders' capital including untaxed reserves rose 5.0% to EUR211.2m, resulting in an equity ratio of 36.5%. Operating cash flow was EUR35.4m.

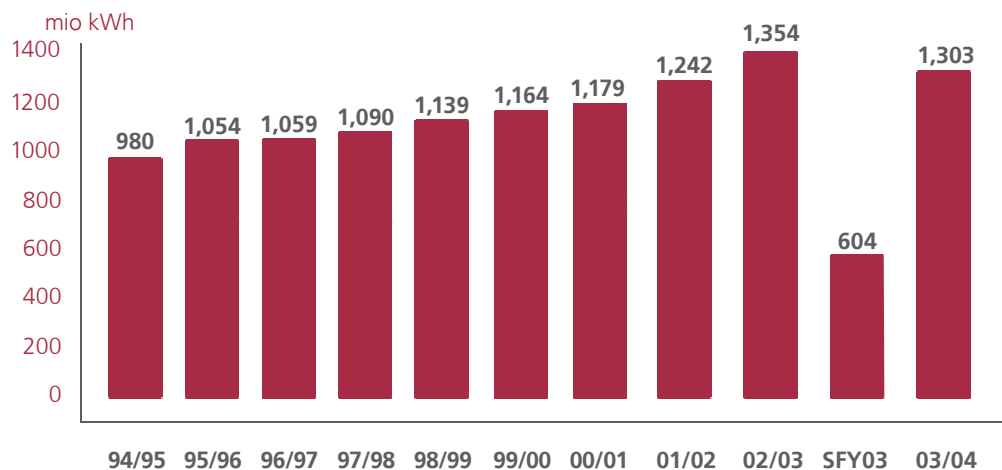
BEWAG Group

		2004/05 HY	2003/04 FY ¹⁾
Total electricity sales (energy)	GWh	697.7	1,302.6
Grid sales (utilisation)	GWh	800.5	1,403.3
Revenues	EUR m	115.8.8	194.6
Pre-tax profit	EUR m	20.1	39,9
Balance sheet total	EUR m	578.9	576.7
Shareholders' capital ²⁾	EUR m	211.2	201.2
Operating cash flow ²⁾	EUR m	35.4	72.1

¹⁾ Due to the fact that the interim group accounts were drawn up as of March 31, 2005 for the first time, no figures for comparison can be provided

²⁾ Shareholders' capital including untaxed reserves

Development of electricity sales



BEGAS 1st six month of 2004/05

The information on performance refers to the forecast interim accounts of BEGAS AG, 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 six months of the 2004/05 business year. In total, 141m cu.m. of natural gas was sold in the period from October 2004 to March 2005. This represents an increase of 6.7% on the same period in the previous year as a result of the comparatively cold weather and the increase in the number of customers.

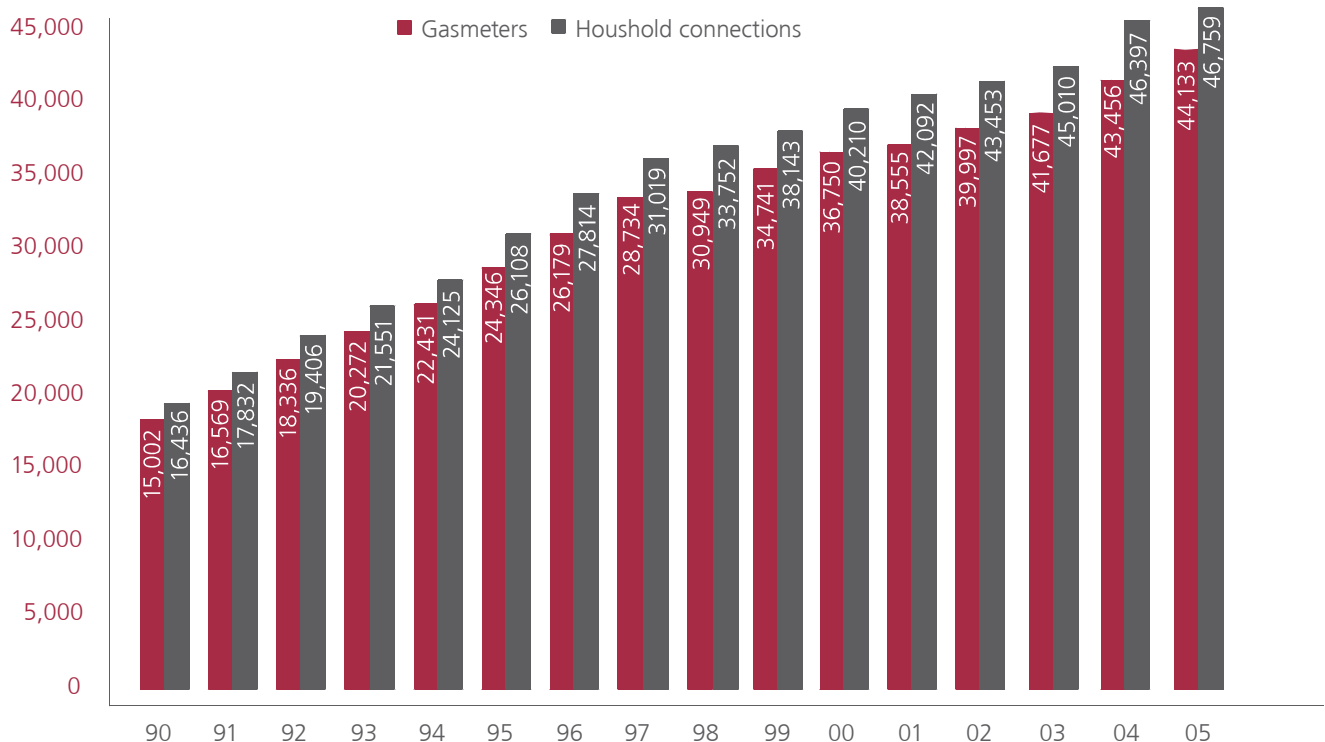
Income situation

The BEGAS Group generated revenues of EUR43.0m in the first six months of 2004/05. The rise in natural gas sales more than compensated the negative effects of the grid rate reduction, which led to a 6.7% increase in revenues compared to the corresponding period in the previous year. However, higher operating costs in the energy sector prevented the group from fully reaching the good results posted in the previous year.

BEGAS

		2004/05 1 st six months	2003/04 1Q 1 st six months	Change %
Total gas grid sales	m m ³	141.2	132.3	6.7
Revenues	EUR m	43.0	40.6	5.9
Pre-tax profit	EUR m	16.5	17.8	-7.3

Customer development



Financial Calendar 2004/05¹⁾

Results for the financial year 2004/05

December 15, 2005

¹⁾ preliminary

04
05