

2004
2005

Interim Report 2004/05

October 1, 2004 - March 31, 2005



Ladies and Gentlemen,

Our Management Board has undergone some changes, and it is our pleasure to provide you with a report on the development of Burgenland Holding for the first time in this new composition.

The first six months of the 2004/05 business year were positive 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 first six months of 2004/05, it was possible to maintain last year's profit level for the reporting period.

Austrian Electricity Solution

Unfortunately, the implementation of the Austrian Electricity Solution has been delayed further.

EnergieAllianzAustria (BEGAS, BEWAG, Energie AG, EVN, Linz AG and Wien Energie GmbH) is convinced that the Austrian Electricity Solution will bring about advantages for all partners. 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.

Günther Ofner

Eisenstadt, May 2005

Michael Gerbavits

Burgenland Holding AG

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Burgenland Holding AG

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 69.33% 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.

Corporate Governance

Burgenland Holding AG underwent two material changes to its management board and supervisory board in the reporting period.

After 8 years at the helm of the company, management board member Burkhard Hofer resigned. The AGM elected Mr. Hofer as well Mr. Michael Amerer members of the supervisory board as of March 31, 2005.

Also on March 31, 2005, the supervisory board appointed Mr. Ofner a member of the management board of Burgenland Holding AG to join Mr. Gerbavits, who had already held this position since 2003. Most recently, Mr. Ofner had served as chairman of the management board of UTA Telekom AG, successfully completing the operational turnaround and the subsequent disposal of that company. Prior to that, he had held a management board position at BEWAG, the Burgenland energy utility, and within that position had already served on the board for Burgenland Holding. Mr. Ofner is greatly looking forward to once again being given the chance to apply all his energy and efforts to serving the company in an executive function.

The results of the vote taken at the 16th AGM on March 31, 2005, can be found at <http://www.buho.at/hv.html> on the homepage of Burgenland Holding AG.

Highlights 1st half year 2004/05

Facts

- Investment income at last year's level (EUR3.31m)
- Satisfactory development of BEWAG and BEGAS against the backdrop of a changing competitive environment

Figures

Burgenland Holding AG		2004/05 HY1	2003/04 HY1	Change %
Balance sheet total	EUR m	75.7	72.5 ¹⁾	4.4
Shareholder's equity	EUR m	72.6	72.4 ¹⁾	0.3
Net profit for the period	EUR m	3.26	3.25	0.2

¹⁾ as of September 30, 2004

Burgenland Holding AG

Burgenland Holding AG

1st half year 2004/05

Income situation

In the first half year of 2004/05, Burgenland Holding received investment income of EUR3.31 (previous year: EUR3.31m), which was composed of the dividend from BEWAG amounting to EUR2.65m and the dividend from BEGAS amounting to EUR0.66m.

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 EUR75.7m, up 4.4% on the previous year. This increase is mainly due to the fact that the dividend of EUR3.06m (EUR1.02 per share as of the reporting date of March 31, 2005) agreed at the 16th Annual General Meeting held on March 31, 2005, has not been distributed yet.

Burgenland Holding AG

		2004/05 HY1	2003/04 HY1	Change %
Balance sheet total	EUR m	75.7	72.5 ¹⁾	4.4
Shareholder's equity	EUR m	72.6	72.4 ¹⁾	0.3
Debt capital	EUR m	3.12	0.11 ¹⁾	-
Net profit for the period	EUR m	3.26	3.25	0.2

¹⁾ as of September 30, 2004

The Burgenland Holding Share

From October 2004 to March 2005, the international stock markets by and large managed to extend their positive performance. In the reporting period, the Dow Jones Industrial Average rose by 4.2%, while the German DAX increased 11.7%.

By comparison, Vienna's ATX was significantly stronger and managed to yet again clearly outperform the international indices; it surged 28.9%, with the WBI – the index of the Vienna Stock Exchange – also increasing by 26.6%.

The DOW JONES EURO STOXX UTILITIES industry index, relevant for Burgenland Holding, rose 15.2%.

In the reporting period, like in the preceding periods, the Burgenland Holding share held steady, closing €50.0 at the end of the reporting period, representing a 1.7% increase. The share had a weighting of 0.22% in the WBI as of March 31, 2005.

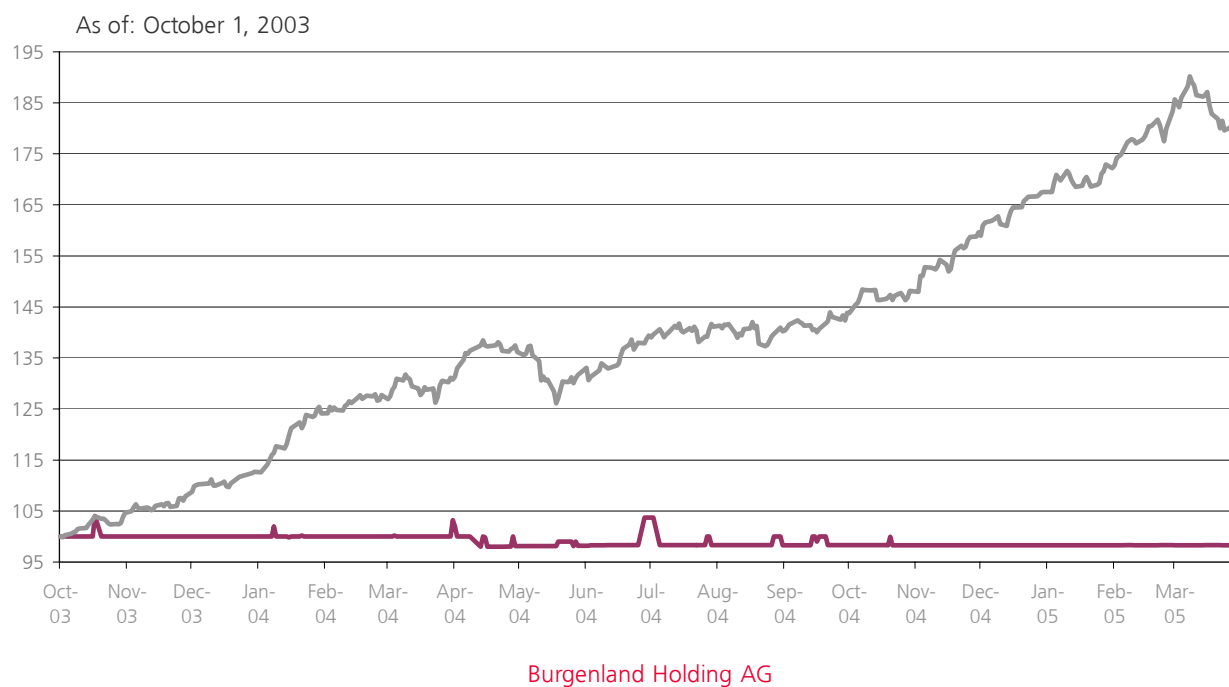
Performance

	2004/05		2003/04	
	H Y 1		H Y 1	
Average daily volume	No	83	124	
Total share volume	EUR m	0.50	0.76	
Share price high	EUR	50.00	52.00	
Share price low	EUR	49.15	49.90	
Share price as of the last trading day in March	EUR	50.00	51.00	
Market capitalisation as of the last trading day in March	EUR m	150.00	153.00	
Weighting in the WBI	%	0.22	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



BEWAG: First Quarter 2004/05

October 1, 2004 – December 31, 2004

The information on developments in the first quarter of the 2004/05 business year refers to interim group accounts as of December 31, 2004, 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.

Sales and supply

In the first quarter of the 2004/05 business year, BEWAG's electricity supply amounted to 368.7GWh. At 348.6GWh, sales from BEWAG-Energievertrieb GmbH & Co KG to final customers were about 6.2% lower than in the corresponding period of the previous year (October 1 to December 31, 2003), which can be put down to a loss of customers to competitors. Compared to the first quarter of the previous business year, grid sales rose by about 2.1% to reach 385.8GWh.

Income situation

Consolidated sales revenues amounted to approximately EUR55.8. This marks a positive development and can mainly be put down to BEWAG's wind activities. Consolidated pre-tax profit was about EUR8.3m.

Balance sheet and capital structure

As of December 31, 2004, the balance sheet total amounted to EUR579.8m. Equity capital including untaxed reserves rose 2.7% to about EUR206.7m, resulting in an equity ratio of 35.7%. Net operating cash flow was approximately EUR15.8m

Equity Investments

In the first quarter, the Austrian Wind Power companies successfully completed all projects planned for this period. All permits for the construction, erection and operation of the plants were granted.

BECOM (Elektronik- und Kommunikationssysteme) was able to reach its target output and continue the positive development in its results so far.

BKF (Burgenländische Kabelfernsehen) continues to focus on the expansion of broadband Internet and has added to its customer stock.

Well.COM exceeded its target revenues already in the first quarter, which is due to an increase in new customers.

Pinkafelder E-Werke GmbH managed to continue the positive trend of the last few months and also shows output above the planned figures.

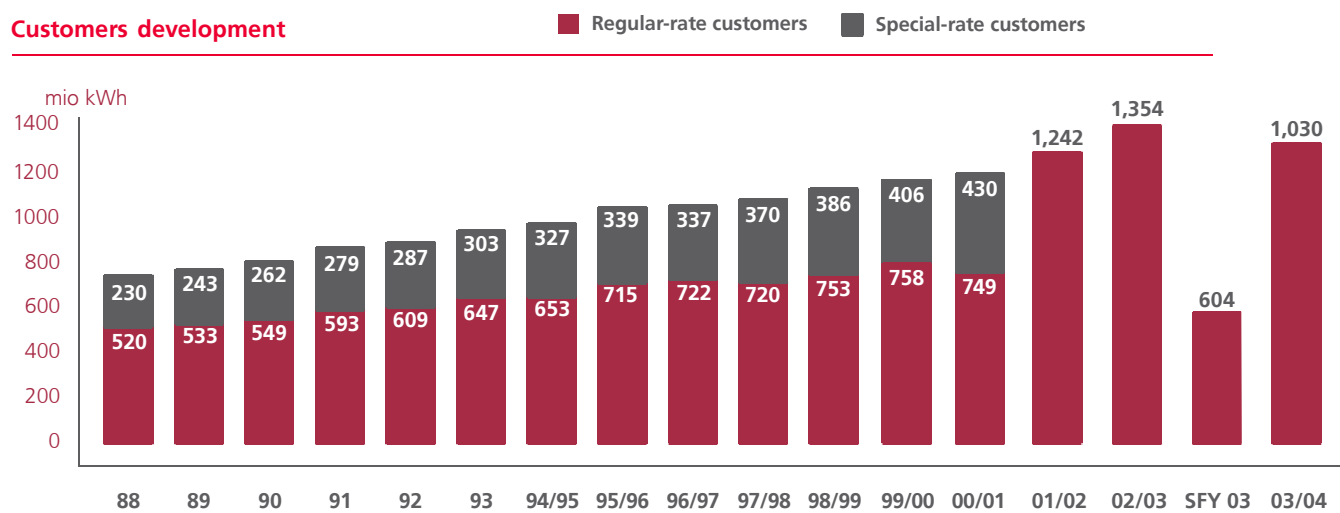
BEWAG Group

		2004/05 1Q	2003/04 Business Year
Total electricity sales (energy)	GWh	348.6	1,302.6
Grid sales (utilisation)	GWh	385.8	1,403.3
Revenues	EUR m	55.8	194.6
Pre-tax profit	EUR m	8.3	26.2
Balance sheet total	EUR m	579.8	576.7
Shareholders' capital ¹⁾	EUR m	206.7	201.2
Operating cash flow ²⁾	EUR m	15.8	69.0

¹⁾ Shareholders' equity including untaxed reserves

²⁾ Net operating cash flow before taxes and extraordinary items

Customers development



¹⁾ 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)

BEGAS in the first quarter of 2004/05

October 1, 2004 – December 31, 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).

Natural gas sales

The reporting period covers the first quarter of the 2004/05 business year. In total, 61.7m cu.m. of natural gas was sold in this period. This represents an increase of 8.4% on the same period in the previous year.

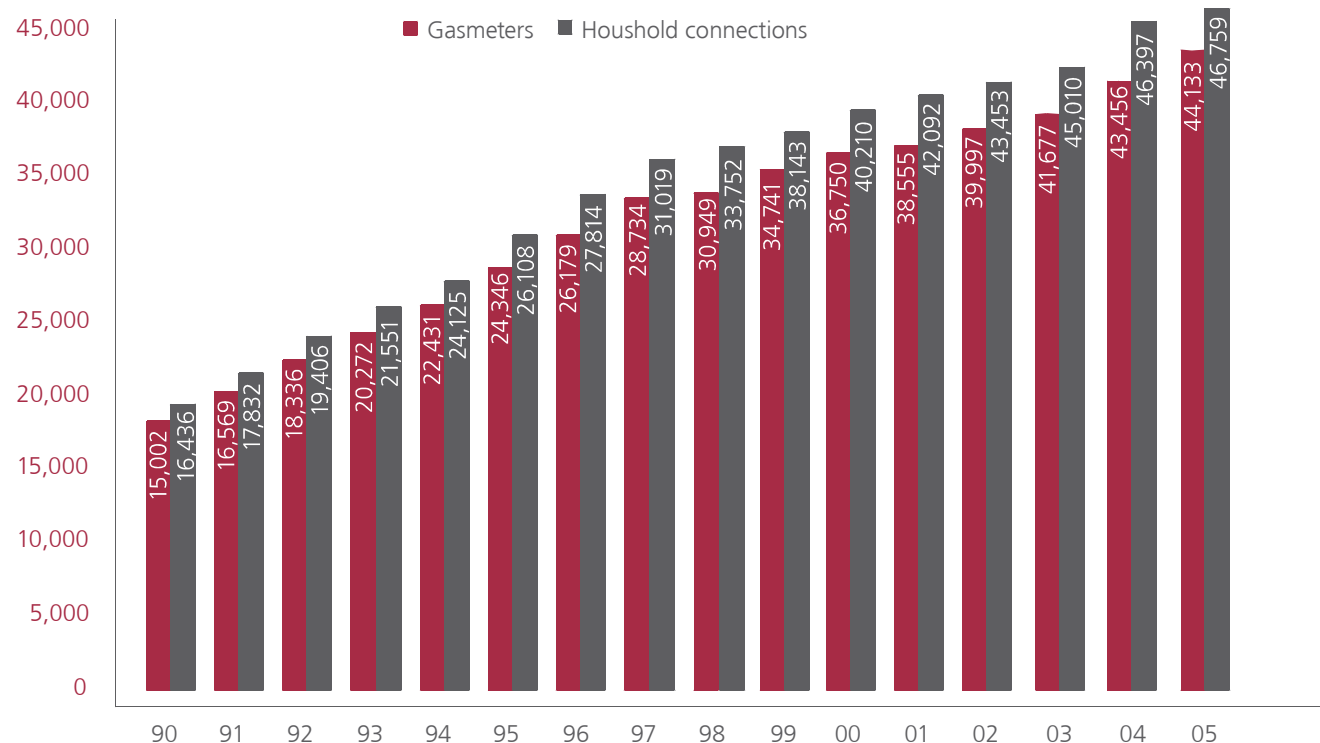
Income situation

The BEGAS Group generated revenues of approximately EUR15.7m in the first quarter of the 2004/05 business year. This is a decrease from the previous year, which can mainly be put down to a reduction of grid rates. As a result of reduced grid sales and increased operating cost in the energy sector, it was not possible to match last year's excellent results.

BEGAS

		2004/05 1Q	2003/04 1Q	Change %
Total gas grid sales	m m ³	61.7	56.9	8.4
Revenues	EUR m	15.7	17.4	-9.8
Pre-tax profit	EUR m	3.9	7.3	-46.6

Customer development



Burgenland Holding AG

Important Dates 2004/05¹⁾

Results 3rd quarter
Results for the full year 2004/05

August 25, 2005
December 15, 2005

¹⁾ preliminary

04
05