

Interim Report 2005/06

October 1, 2005 - December 31, 2005

Foreword of the Management Board

Dear Sir or Madam,
dear shareholders,

In the first quarter of the 2005/06, Burgenland Holding AG as well as its associated companies performed favourably. BEWAG and BEGAS managed to increase their revenues and, consequently, profits developed well, not least due to the persistently cold weather and the resulting high consumption of electricity and gas. For the reporting period, Burgenland Holding AG's result was at last year's level, as investment income will accrue only in the following months.

Supply security is becoming increasingly important

The disputes surrounding natural gas deliveries from Russia to the Ukraine in early 2006 once again brought an aspect to the foreground which had been put aside somewhat in the course of market liberalisation and consolidation in the last few years:



Günther Ofner



Michael Gerbavsits

supply security. The discussion on the high degree of dependence on one single source of energy, but also on a small number of suppliers has once again reminded everybody that supply security is the central issue of energy supply. This is true for gas supply as such, but – due to the large-scale use of natural gas in power plants – electricity generation and supply are affected massively, as well.

The debates in the last few weeks have shown that the reserves of both gas and electricity had been reduced significantly in the course of market

liberalisation for operational reasons. Therefore, the regulators will have to make an extraordinary effort to support an adequate supply and the maintenance of sufficient reserves by offering positive incentives as well as a reasonable regulatory framework. This not only concerns the storage of gas but also implies ensuring sufficient and flexible power plant capacities, which are currently called into question in view of the curb on the use of coal and oil due to the trading in CO₂ emission certificates. It will be necessary to rethink the setting of priorities in terms of supply security and competition.

A handwritten signature in dark ink, appearing to read 'Göner'.

Günther Ofner

A handwritten signature in dark ink, appearing to read 'Gerbavsits'.

Michael Gerbavsits

Eisenstadt, February 2006

Burgenland Holding AG

Technologiezentrum
Marktstraße 3
A-7000 Eisenstadt

Corporate Communications and Investor Relations

Renate Lackner-Gass

Telephon +43 / 2236 / 200-24 186
Telefax +43 / 2236 / 200-84 703
e-mail investor.relations@buho.at

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 00000640552. EVN AG holds a stake of 69.58% of the share capital stock 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% interest in the share capital of Burgenländische Elektrizitätswirtschafts-AG (BEWAG) in the amount of EUR34.88m. The remaining 51% of the shares are held by the Province of Burgenland. Burgenland Holding AG also continues to hold a 49% stake in the share capital of BEGAS amounting to EUR7.44m. The remaining shares are held by BEGAS-Gemeindeanteilsverwaltung AG (GAV). The shareholders in GAV are exclusively the municipalities in the Burgenland supplied with natural gas.

Highlights First Quarter 2005/06

Key events

- 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.

Key figures

Burgenland Holding AG		2005/06	2004/05	Change
		1st Quarter	1st Quarter	%
Balance sheet total	EUR m	72.6	72.7 ¹⁾	-0.1
Shareholder's equity	EUR m	72.5	72.5 ¹⁾	-
Net result for the period	EUR m	-0.03	-0.02	-

¹⁾ as of September 30, 2005

Burgenland Holding AG

1. Quarter 2005/06

Balance sheet and capital structure

Income situation

As the associated enterprises BEWAG and BEGAS did not distribute dividends in the first quarter of 2005/06, Burgenland Holding has not yet received any investment income.

Burgenland Holding's sound capital structure remained basically unchanged compared to the previous business year. The balance sheet total stood at EUR72.6m, down 0.1% from the previous year.

At the 17th AGM on March 28, 2006, the management board will propose the distribution of a dividend of EUR1.02 per share (previous year: EUR1.02), totalling EUR3.060m, from the net profit amounting to EUR3.064m as of September 30, 2005, and carrying forward the remainder of EUR3,877.35.

Burgenland Holding AG

		2005/06	2004/05	Change
		1st Quarter	1st Quarter	%
Balance sheet total	EUR m	72.60	72.7 ¹⁾	-0.1
Shareholder's equity	EUR m	72.50	72.5 ¹⁾	-
Debt capital	EUR m	0.05	0.11 ¹⁾	-45.5
Net result for the period	EUR m	-0.03	-0.02	-

¹⁾ as of September 30, 2005

The Burgenland Holding Share

From October to December 2005, the international stock markets managed to continue their positive trends. Particularly in Europe, the economic indicators showed continued strength and thus contributed to this development. As a result the German

DAX index climbed 7.2%. In the US, the increase was considerably smaller, also due to the FED's continuing restrictive interest rate policy, with the Dow Jones showing a modest 1.4% increase.

Vienna's ATX prolonged its positive development and managed a 6.1% rise in the same period, while the WBI increased by 3.9%.

The DOW JONES EURO STOXX UTILITIES industry index, relevant for Burgenland Holding, rose 5.7%.

As in the previous year, the Burgenland Holding share maintained its stable price development and closed at 49.22 as of the end of December. As of December 31, 2005, the share had a 0.14% weighting in the WBI.

Stock market indicators

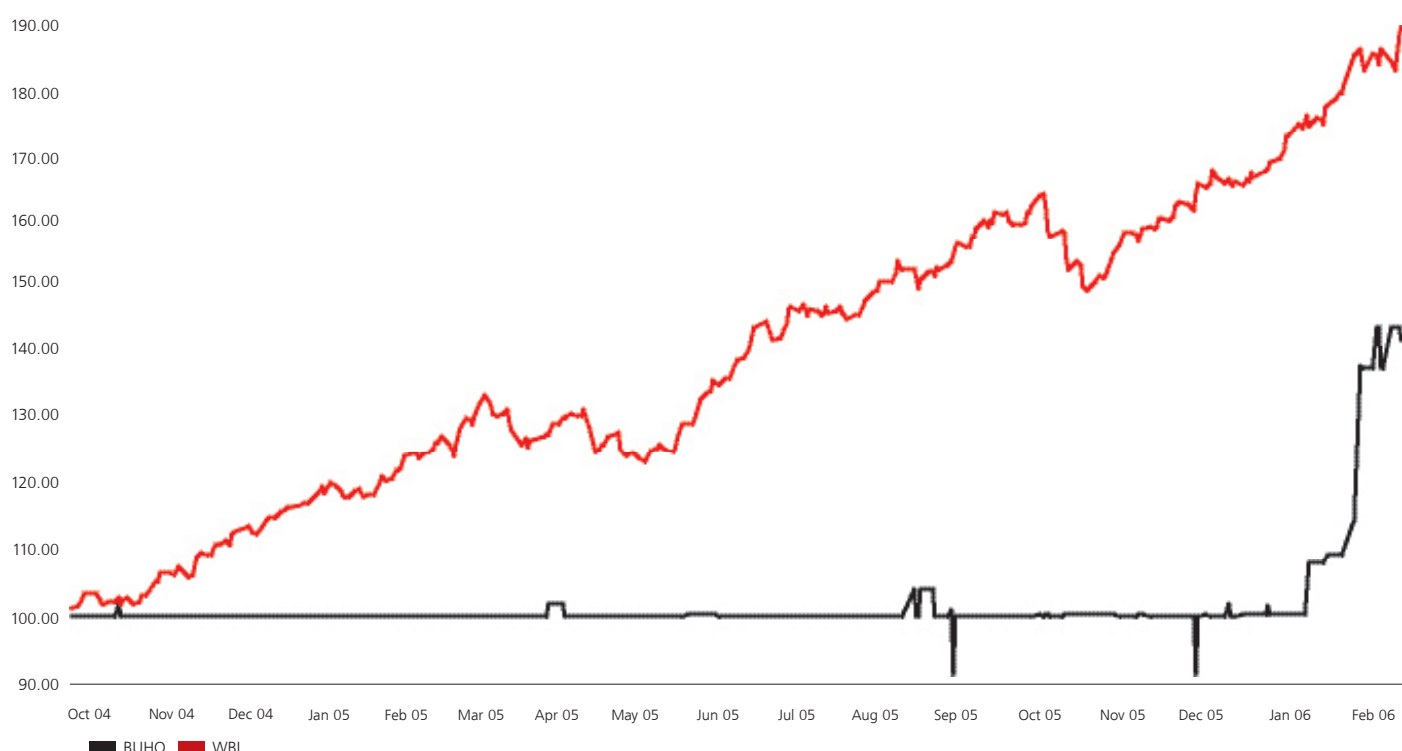
		2005/06 Q.1	2004/05 Q.1
Average daily volume	No	80	64
Total share volume	EUR m	0.23	0.185
Share price high	EUR	50.00	49.99
Share price low	EUR	45.05	49.15
Share price as of the last trading day in December	EUR	49.22	49.15
Market capitalisation as of the last trading day in Dec.	EUR m	148	147
Weighting in the WBI as of the last trading day in Dec	%	0.14	0.23

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 (%)

As of: October 1, 2004



BEWAG - 2004/05 Financial Year

1. October 1, 2004 - September 30, 2005

The information on performance refers to the annual group accounts of BEWAG as of September 30, 2005. For comparison, we present the figures from the annual group accounts as of September 30, 2004

Highlights

- Positive development of revenues
- Amalgamation of BKF and Well. Com into B.net Burgenland Telekom GmbH as of June 16, 2005 (retroactively as of October 1, 2004)
- Grid price reduction as of February 1, 2005
- Expansion of wind activities (Austrian Wind Power)
- Spin-off of BEWAG Netz GmbH as of October 1, 2005

Electricity Sales and supply

In the 2004/05 business year, BEWAG's electricity supply amounted to 1,276.7GWh, and electricity sales to final customers by BEWAG Energievertrieb GmbH & Co KG were 1,203.4GWh, around 7.6% below the volume in the corresponding period of the previous year (October 1, 2003 – September 30, 2004). This decrease in volume was more than offset by price adjustments, leading to a revenue increase of BEWAG Energievertrieb GmbH & Co KG of 6.7% compared to the same period last year, to a total of EUR57.4m. Compared to the previous business year, grid sales rose by 2.5% to 1,438.6GWh.

Income situation

The Group's revenues amount to about EUR210.7m. The increase in revenues can be attributed mainly to the contributions of AWP group, BECOM and BEWAG VERTRIEB. As for the wind companies, the rise in revenues can be put down to an increase in the number of wind power plants to 140, which

means that the expansion is basically complete, as well as to favourable wind conditions in the reporting period. BECOM's revenue increase was effected by rising revenues from existing customers on the one hand, and orders from new customers on the other, particularly in the automotive and logistics sectors. As mentioned above, the increase in revenues of BEWAG VERTRIEB can be put down to price adjustments.

Pre-tax profits amount to EUR32.1m. The change from the previous period is mainly due to the one-off effects that were no longer relevant. Thus, for example, a federal investment bonus of 2003/04 11.4m in had a positive impact on earnings

Balance sheet and capital structure

As of September 30, 2005, the balance sheet total amounted to about EUR594.2m. The share of fixed assets (EUR526.6m) in total assets is 88.6%. In the reporting period, shareholders' equity including untaxed reserves rose by 9.2% to EUR219.8m, resulting in an equity ratio of 37.0%. Operating cash flow was EUR58.9m.

BEWAG Group

		2004/05	2003/04
Electricity sales	GWh	1,203.4	1,302.6
Grid sales	GWh	1,438.6	1,403.3
Sales Revenues	EUR m	210.7	194.6
Pre-tax profit	EUR m	32.1	36,9
Balance sheet total	EUR m	594.2	576.7
Shareholders' equity ¹⁾	EUR m	219.8	201.2
Operating cash flow	EUR m	58.9	72.1

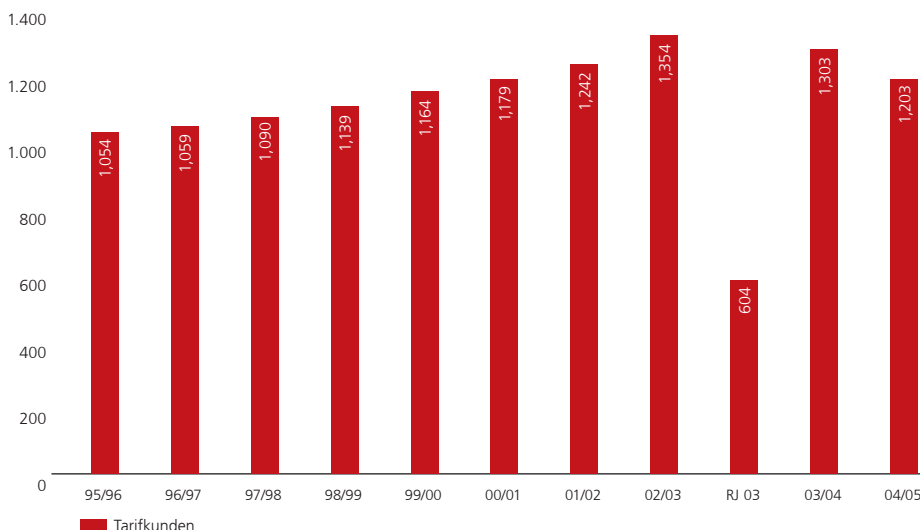
¹⁾ Shareholders' capital including untaxed reserves

Outlook

As of October 1, 2005, BEWAG spun off grid operations to the BEWAG Netz GmbH in conformity with legal requirements.

Development of electricity sales

kWh m



BEGAS - 2004/05 Financial Year

1. October 1, 2004 – September 30, 2005

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 under the Commercial Code).

Natural gas sales volume

Between October 2004 and September 2005, a total of 194.2m³ of natural gas was sold, which represents an increase of 0.7% compared to the corresponding period in the previous year due to the rising number of customers. 1,349 new customers were acquired in the 2004/05 business year, with 1,353 new household connections being set up in the same period. Based on the continued high demand for natural gas heating, a further increase in sales volume can be expected.

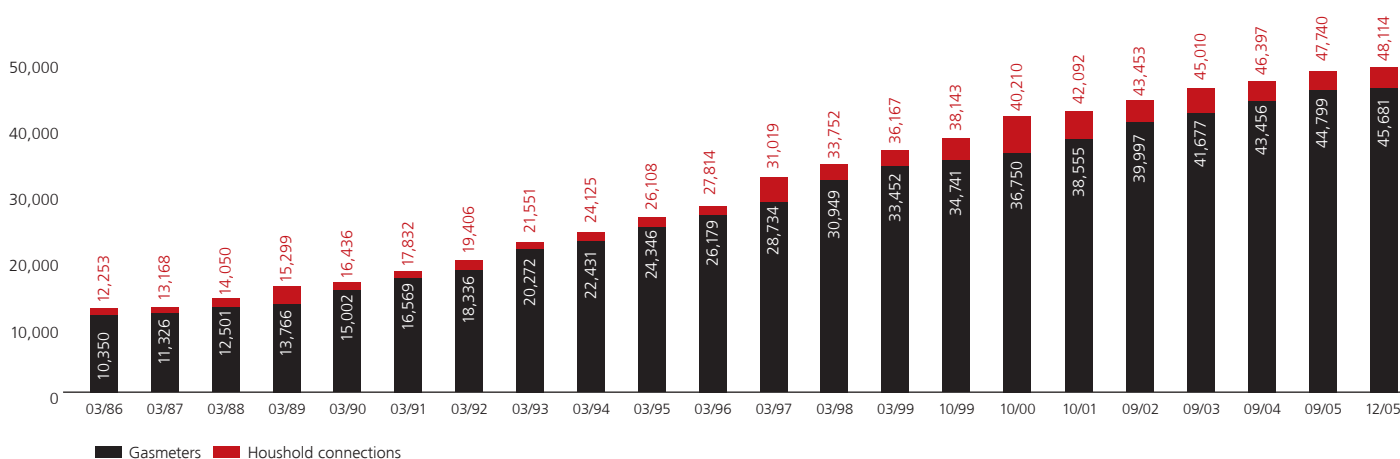
Income situation

The BEGAS Group generated revenues of approximately EUR54.4m in the reporting period for the 2004/05 business year. The increase in natural gas sales volume nearly offset the decrease in revenues due to grid price reductions. However, higher operating costs in the energy sector prevented the group from fully reaching the good results posted in the previous year. As of October 1, 2005, rates were already adjusted for the higher operating costs.

BEGAS

		2004/05	2003/04	Change %
Total natural gas sales volume grid	m m ³	194.2	192.9	0.7
Revenues	EUR m	54.4	54.7	-0.4
Pre-tax profit	EUR m	9.9	14.6	-32.2

Customer development



Financial Calendar 2005/06¹⁾

AGM	March 28, 2006
Ex-dividend date	March 31, 2006
Dividend payment	April 5, 2006
Results first six months	May 24, 2006
Results 3rd quarter	August 29, 2006
Results for the full year 2005/06	December 14, 2006

¹⁾ preliminary