

Interim Report 2005/06

October 1, 2005 - March 31, 2006

Foreword of the Management Board

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

In the first six months of the 2005/06 business year, Burgenland Holding AG as well as its associated companies performed favourably. BEWAG and BEGAS managed to increase their revenues, and profits also developed well, not least due to the persistently cold weather and the resulting high consumption of electricity and gas. Due to increased dividends from its associated companies, the result of Burgenland Holding AG for the reporting period was 83.4% above last year's level.

„Austrian Electricity Solution“ about to be realised

Considerable progress was made in the reporting period concerning the realisation of the „Austrian Electricity Solution“. As reported on various occasions, this includes a partial merger of eastern Austria's major electricity suppliers with a view to



Günther Ofner



Michael Gerbavits

realizing extensive synergies as well as improving the competitive position of all companies involved. After a basic agreement was found that the two Upper Austrian suppliers Energie AG and Linz AG would leave EnergieAllianz, which had been established in the run-up to the Austrian Electricity Solution, the necessary coordination with the antitrust authorities is intended to be effected before the summer. Thus, the Austrian Electricity Solution – ultimately consisting of BEWAG, EVN, Verbund and Wienstrom – should go ahead as planned, resulting in extensive strategic advantages and the safeguarding of Austrian hydropower for sales companies and domestic customers.

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

Günther Ofner

Outlook

As a result of the marked increase in BEWAG's dividend payout and the slight increase in BEGAS's dividend payout, Burgenland Holding AG will be able to show significantly improved results for the 2005/06 business year. The activities of the associated companies in the fields of wind energy and biomass will continue to have a positive effect not only on sales volume but also on revenues and profits.

Eisenstadt, May 2006

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

Michael Gerbavits

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
www.buho.at

Energising 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 69.60 % 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 1st Half Year 2005/06

Key events

- AGM resolution: dividend payout of EUR 1.02/share
- Significant increase in BEWAG dividend, slight increase in BEGAS dividend
- Increase of Burgenland Holding AG's result for the period of 83.4%.

Key figures

Burgenland Holding AG		2005/06 1st HY	2004/05 1st HY	Change %
Balance sheet total	EUR m	78.6	72.7 ¹⁾	8.1
Shareholder's equity	EUR m	72.5	72.5 ¹⁾	4.0
Result for the period	EUR m	5.97	3.26	83.4

¹⁾ as of September 30, 2005

Burgenland Holding AG

First six months 2005/06

Balance sheet and capital structure

Income situation

In the respective AGMs of BEWAG and BEGAS, increased dividend payouts were resolved. The BEWAG AGM decided to double its payout to EUR5,298,000. The dividend of BEGAS rose by EUR72,972.56 to EUR729,725.60, which means that the investment income of Burgenland Holding AG rose by 82.3% to EUR6,027,725.60.

Due to the increase in dividend payouts from the associated companies, the balance sheet total rose to EUR78.6m, an increase of 8.1% compared to the balance sheet date of September 30, 2005.

The 17th AGM on March 28, 2006 accepted the management board's proposal of distributing 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
		1 st six months	1 st six months	%
Balance sheet total	EUR m	78.60	72.7 ¹⁾	8.1
Shareholder's equity	EUR m	75.50	72.5 ¹⁾	4.0
Debt capital	EUR m	3.12	0.11 ¹⁾	-
Result for the period	EUR m	5.97	3.26	83.4

¹⁾ as of September 30, 2005

The Burgenland Holding Share

The stock markets generally continued their positive development during the reporting period from October 2005 to March 2006. In particular, the stock market indices in Europe managed to improve on their gains due to persistently optimistic economic

forecasts and the continuing positive developments of the corporate sector. The German DAX index rose by 18.4 %. The switch in leadership at the FED from long-time head Alan Greenspan to Ben Bernanke did not result in any changes to its tight monetary policy. This is also reflected in the small increase in the Dow Jones-index, which managed a rise of only 5.1%.

Vienna's ATX prolonged its positive development and managed a 19.7 % rise in conformity with other European stock markets, while the WBI increased by 17.6%.

The DOW JONES EURO STOXX UTILITIES industry index, relevant for Burgenland Holding, also developed extremely well and marked an increase of 19.3 %.

Following months of stagnating at a stable level, the share of Burgenland Holding performed very well in the first six months of the business year and managed a rise of 18.4%. As of the end of March 2006, the share price stood at EUR58.20. As of December 31, 2006, the share had a 0.14 % weighting in the WBI.

Stock market indicators

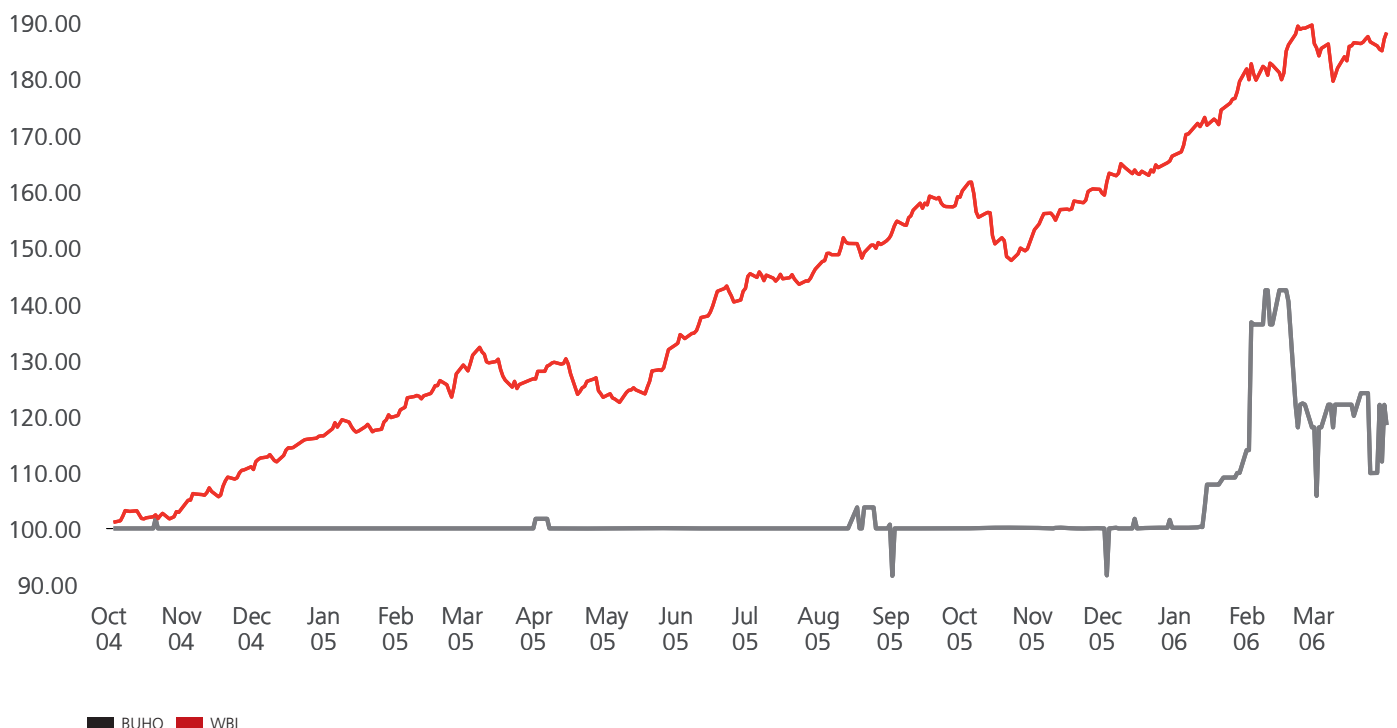
		2005/06 1 st HY	2004/05 1 st HY
Average daily volume	No	129	83
Total share volume	EUR m	0.9	0.5
Share price high	EUR	70.00	50.00
Share price low	EUR	45.05	49.15
Share price as of the last trading day in March	EUR	58.20	50.00
Market capitalisation as of the last trading day in March	EUR m	175	150
Weighting in the WBI as of the last trading day in March	%	0.14	0.22

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 First Quarter 2005/06

1. October 1, 2005 - December 31, 2005

The information on performance refers to the interim group accounts of BEWAG's 2005/06 business year as of December 31, 2005. For comparison, we present the figures from the interim group accounts as of December 31, 2004. The comparability of the figures is limited to the extent that Geoservice GmbH, Dataservice GmbH and AIRAM kft have been newly integrated into the consolidation circle.

Highlights

- Positive development of revenues
- Spin-off of BEWAG Netz GmbH as of October 1, 2005

Electricity Sales and supply

In the first quarter of the 2005/06 business year, BEWAG's electricity supply amounted to 350.8GWh, and electricity sales to final customers by BEWAG Energievertrieb GmbH & Co KG were 330.0GWh, which is 5.3 % below the volume in the corresponding period of the previous year (October 1 – December 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 about 1.3% compared to the same period last year, to a total of EUR16.5m. Compared to the previous business year, grid sales rose by 2.6 % to 396.0GWh.

Income situation

The Group's revenues amounted to EUR56.6m. The increase in revenues can be attributed mainly to the increased contributions of Austrian Wind Power Group and BECOM. As for the wind companies, the rise in revenues can be put down mainly to an increase in the number of wind power plants to around 140, which means that the expansion

is basically complete. 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.

Pre-tax profit amounted to EUR9.7m, or EUR1.0m more than in the previous year. This change is due primarily to one-off effects based on financial transactions and the reversal of provisions.

Balance sheet and capital structure

The balance sheet total stood at EUR592.6m as of the quarterly balance sheet date, with fixed assets (amounting to EUR519.3m) representing 87.6% of total assets. Shareholder's equity including untaxed reserves rose by 3.2% to EUR226.9m, resulting in an equity ratio of 38.3%. Operating cash flow was EUR14.0m.

Outlook

During the second quarter of 2005/06, BVB was integrated into Austrian Wind Power GmbH retroactively as of October 1, 2005. This led to an integration of Austrian Wind Power Projektentwicklungs GmbH & Co KG, Austrian Wind Power Betriebs GmbH & Co KG and Austrian Wind Power UW Neusiedl GmbH & Co KG into AWP GmbH. This, together with other company conversions, means that BEWAG's wind activities have now been combined within one company. There will be other conversions to further streamline the group's structure.

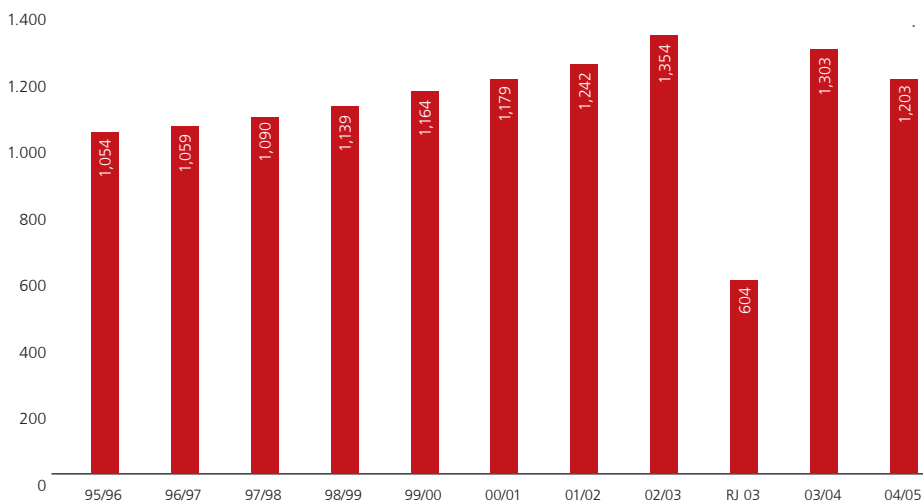
BEWAG Group

		2005/06 1 st quarter	2004/05 1 st quarter	Change %
Electricity sales	GWh	330.0	348.6	-5.3
Grid sales	GWh	396.0	385.8	2.6
Sales Revenues	EUR m	56.6	55.8	1.4
Pre-tax profit	EUR m	9.3	8.3	12.0
Balance sheet total	EUR m	592.6	579.8	2.2
Shareholders' equity ¹⁾	EUR m	226.9	206.7	9.8
Operating cash flow	EUR m	14.0	16.2	-13.6

¹⁾ Shareholders' equity including untaxed reserves

Development of electricity sales

kWh m



BEGAS First Quarter 2005/06

1. October 1, 2005 – December 31, 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).

Income situation

The BEGAS Group generated revenues of approximately EUR18.9m in the reporting period for the 2005/06 business year. The increase in natural gas sales volume combined with adjusted rates in the energy sector offset the decrease in revenues due to mandatory rate reductions for grid access.

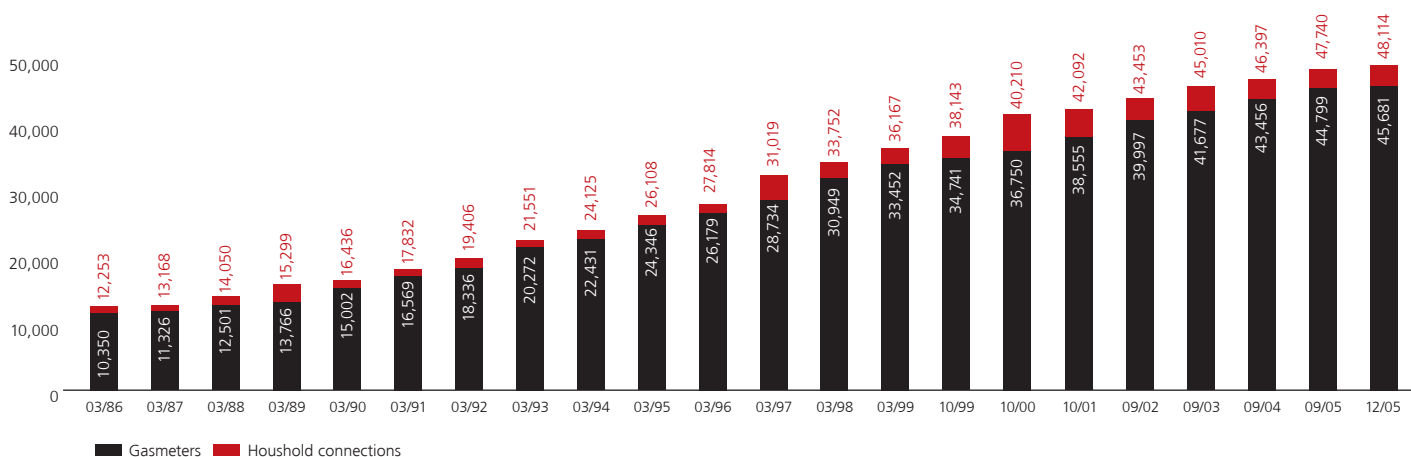
Natural gas sales volume

Between October and December 2005, a total of 63 million m³ of natural gas was sold, which represents an increase of 2.1% compared to the corresponding period in the previous year due to the rising number of customers. Based on the continued high demand for natural gas heating, a further increase in new customers and household connections can be expected.

BEGAS

		2005/06 1 st quarter	2004/05 1 st quarter	Change %
Total natural gas sales volume grid	m m ³	63.0	61.7	2.1
Revenues	EUR m	18.9	15.7	20.4
Pre-tax profit	EUR m	3.2	3.9	-18.0

Customer development



Important dates 2005/06¹⁾

Results 3rd quarter
Results for the full year 2005/06

August 29, 2006
December 14, 2006

¹⁾ preliminary