

Interim Financial Report 2017/18

1 October 2017 – 31 March 2018

Interim Financial Report 2017/18

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Key figures

HY1 2017/18

Burgenland Holding AG		2017/18 HY1	2016/17	Change in %
Balance sheet total	EURm	81.3	80.8 ¹⁾	0.6
Equity	EURm	79.6	80.7 ¹⁾	-1.4
Investment income	EURm	9.3	10.3 ²⁾	-9.7
Net income for the period	EURm	9.2	10.2 ²⁾	-9.8

1) As of 30 September 2017

2) HY1 2016/17

Energie Burgenland AG		2017/18 Q1	2016/17 Q1	Change in %
Electricity sales volumes	GWh	347	334	3.9
Electricity network distribution volumes	GWh	488	493	-1.0
Natural gas sales volumes	GWh	356	371	-4.0
Natural gas network distribution volumes	GWh	727	785	-7.4
Revenue	EURm	9.6	86,7	5.7
Pre-tax profit	EURm	16.9	15,7	7.6
Balance sheet total	EURm	875.2	884,2	-1.0
Equity	EURm	337.2	333,8	1.0

Energising Burgenland

Burgenland Holding AG

Burgenland Holding AG holds 49% of the share capital of Energie Burgenland AG. The remaining 51% of the shares are held by Landesholding Burgenland GmbH. The share capital of Energie Burgenland AG amounts to EUR 34.9m.

The shares of Burgenland Holding AG (share capital: EUR 21.8m) are listed on the Official Market of the Vienna Stock Exchange under AT0000640552. EVN AG is the majority shareholder in Burgenland Holding AG and holds an unchanged stake of 73.63% of the share capital, with VERBUND AG holding more than 10% and WIEN ENERGIE GmbH holding between 5% and 10%. All other shareholders hold less than the mandatory reportable threshold of 4%.

The Burgenland Holding AG share

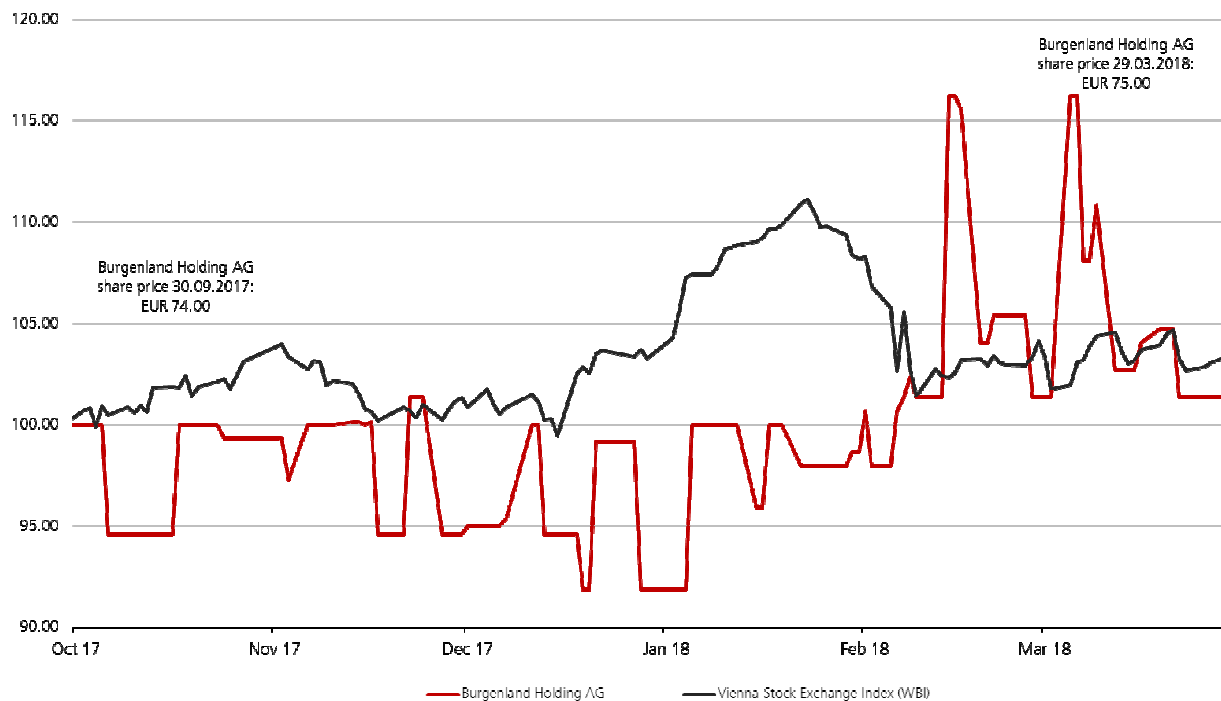
The significant stock market indices for Burgenland Holding AG showed contrary trends from October 2017 to March 2018. While Vienna's leading ATX index rose by 3.39%, the Dow Jones Euro Stoxx Utilities industry index went down by 3.69%.

At the end of March 2018, the share of Burgenland Holding AG closed at EUR 75.00, thus 1.35% higher than compared to the corresponding period last year. This results in a market capitalisation of EUR 225m. Daily trading volume averaged 41 shares during the first half year 2017/18 and the weighting of the share in Vienna's WBI index was 0.18% as of 31 March 2018.

Stock performance		2017/18 HY1	2016/17 HY1
Average daily turnover	Shares	41	25
Total share volume	EURm	0.36	0.19
Highest price	EUR	86.00	70.70
Lowest price	EUR	68.00	53.00
Share price at the end of March	EUR	75.00	66.70
Market capitalisation at the end of March	EURm	225	200
WBI weighting at the end of September	%	0.18	0.19

Burgenland Holding share price – relative development compared to Vienna Stock Exchange Index (%)

On the basis of September 2017



Burgenland Holding AG

HY1 2017/18

Highlights

- Distribution of a dividend of EUR 3.45 per share
- Net income for the period at EUR 9.2m; 9.8% lower than the previous year's figure
- Outlook 2017/18 confirmed: Net income is expected to decrease to a level of more than EUR 9m

Burgenland Holding AG – Key figures		2017/18 HY1	2016/17	Change in %
Balance sheet total	EURm	81.3	80.8 ¹⁾	0.6
Equity	EURm	79.6	80.7 ¹⁾	-1.4
Investment income	EURm	9.3	10.3 ²⁾	-9.7
Net income for the period	EURm	9.2	10.2 ²⁾	-9.8

1) As of 30 September 2017

2) HY1 2016/17

Income situation

The investment income from Burgenland Holding AG for the first half year 2017/18 includes the dividend payout of Energie Burgenland AG for the 2016/17 business year. After the one-off increase in the dividend payout of Energie Burgenland AG in the previous year by about 10%, investment income from Burgenland Holding AG decreased by 9.7% to EUR 9.3m in the reporting period.

Similar to the development of investment income, net income for the period amounted to EUR 9.2m, or 9.8% below the prior year level.

Balance sheet and capital structure

As of 31 March 2018, the balance sheet total amounted to EUR 81.3m, or 0.6% slightly above the balance sheet date of 30 September 2017.

Liabilities due to associated companies include the short-term interim financing of the Company's own dividend payout. As of the balance sheet date, the investment income tax in connection with the effected dividend payout

is still shown under "Other liabilities" in the balance sheet as a result of its later due date. Consequently, the equity ratio shows a decrease from 99.9% to 97.9% in the first six months of 2017/18 compared to the balance sheet date of 30 September 2017.

Outlook

Due to the fact that the dividend payout of Energie Burgenland AG from its net profits for 2016/17 has already been accounted for, no major changes in the results of Burgenland Holding AG are expected for the 2017/18 business year after the first six months of 2017/18.

The financial year 2016/17 of Burgenland Holding AG was positively influenced by the one-off increase in the dividend payout of Energie Burgenland AG by about 10% for the 2015/16 financial year. Net income of Burgenland Holding AG for the 2017/18 financial year is expected to decline to a level of more than EUR 9m.

Condensed Interim Financial Statement

Balance sheet as of 31 March 2018

Assets in TEUR	31.03.2018	30.09.2017
A. Fixed assets		
Investments	71,325.3	71,325.3
	71,325.3	71,325.3
B. Current assets		
I. Accounts receivables		
1. Receivables from affiliated companies	120.6	9,414.1
2. Receivables from associates	9,310.0	0.0
3. Other receivables	0.6	1.9
	9,431.2	9,416.0
II. Cash at banks	481.9	14.8
	9,913.1	9,430.8
C. Deferred expenses and accrued income		
Other	9.7	4.9
D. Deferred tax assets	25.9	0.0
Total assets	81,274.0	80,761.0
Equity and liabilities		
A. Equity		
I. Called-up, subscribed, and paid-in share capital	21,810.0	21,810.0
II. Capital reserves		
Committed reserves	43,676.4	43,676.4
III. Retained earnings		
Other reserves (free reserves)	4,902.0	4,902.0
IV. Net profit	9,229.8	10,354.0
thereof profit carried forward	4.0	3.3
	79,618.2	80,742.4
B. Provisions		
Other provisions	9.8	17.9
C. Liabilities		
1. Trade accounts payable	0.2	0.3
thereof with a remaining maturity of up to one year	0.2	0.3
2. Liabilities to affiliated companies	1,181.0	0.3
thereof with a remaining maturity of up to one year	1,181.0	0.3
3. Other current liabilities	464.7	0.0
thereof with a remaining maturity of up to one year	464.7	0.0
	1,645.9	0.6
thereof with a remaining maturity of up to one year	1,645.9	0.6
Total equity and liabilities	81,274.0	80,761.0

Profit and loss account

Profit and loss account in TEUR	2017/18 HY1	2016/17 HY1
1. Other operating income:		
a) Other	10.0	0.1
2. Other operating expenses:		
a) Taxes, unless covered by fig 9	0.0	0.0
b) Other	-133.8	-117.6
	-133.8	-117.6
3. Total 1 and 2 (Operating result)	-123.7	-117.5
4. Investment income	9,310.0	10,290.0
5. Other interest and similar income	13.6	17.4
thereof from associated companies	13.6	17.4
6. Interest and similar expenses	-0.1	-0.1
thereof from associated companies	-0.1	-0.1
7. Total 4 to 6 (Financial result)	9,323.5	10,307.3
8. Pre-tax profit	9,199.8	10,189.8
9. Taxes on income from tax allocation	0.0	0.0
thereof income from tax credits	0.0	0.0
10. Deferred income taxes	25.9	0.0
11. After-tax profit = Net income for the period	9,225.8	10,189.8
12. Profit carry-forward	4.0	3.3
13. Net profit	9,229.8	10,193.1

Notes

General principles

The Interim Financial Statements for the period from 1 October 2017 to 31 March 2018 were prepared with regard to Generally Accepted Austrian Accounting Principles.

The Interim Financial Statements as of 31 March 2018 were neither subject to a full audit nor a review by an auditor.

Notes to the balance sheet

As of the balance sheet date of 31 March 2018, shareholders' equity stood at EUR 79.6m, thus 1.4% below the balance sheet date of 30 September 2017. The position "Other provisions" related mainly to the compensation of Supervisory Board members of Burgenland Holding AG.

The item "Liabilities to affiliated companies" includes EUR 1.2m for the short-term interim financing of the Company's own dividend payout. The item "Other current liabilities" of EUR 0.5m is composed entirely of the investment income tax liability vis-à-vis the tax authorities in connection with the effected dividend payout.

Notes to the profit and loss account

At TEUR –123.7, the operating result for the first half year 2017/18 was slightly below last year's level.

The investment income of Burgenland Holding AG in the reporting period comprised the dividend payout of Energie Burgenland AG. On 19 March 2018, the Annual General Meeting of Energie Burgenland AG resolved to distribute a dividend of EUR 19.0m out of the net profit as of 30 September 2017, of which EUR 9.31m are allocated to Burgenland Holding AG.

At TEUR 13.5, the item "Other interest and similar income" was below the corresponding period year's figure. This is primarily attributable to a low interest level.

Interim Management Report

The result of Burgenland Holding AG is determined to a major extent by the dividends of its associated companies Energie Burgenland AG and CEESEG AG as well as the interest rate level. After the first six months of the 2017/18 financial year, net income for the period amounted to EUR 9.2m, a 9.8% decline over the corresponding period in the previous year. This decrease resulted from the lowered dividend payout of Energie Burgenland AG compared to the prior year.

Due to the fact that the dividend payout of Energie Burgenland AG has already been recorded, no major changes in the result of Burgenland Holding AG are to be expected for the second half of 2017/18.

Furthermore, from today's point of view, no material risks or uncertainties should be anticipated for the remaining six months of the business year given the stable earnings structure of Burgenland Holding AG.

Energie Burgenland AG

Q1 2017/18¹⁾

Highlights

- Commissioning of the Bruckneudorf transformer station in December 2017
- New station in Jois to reduce the pressure of natural gas
- Construction of wind park Parndorf V
- Start of the public participation model in Parndorf
- Mass rollout of smart metering

Energie Burgenland AG – Group		2017/18 Q1	2016/17 Q1	Change in %
Electricity sales volumes	GWh	347	334	3.9
Electricity network distribution volumes	GWh	488	493	-1.0
Natural gas sales volumes	GWh	356	371	-4.0
Natural gas network distribution volumes	GWh	727	785	-7.4
Revenue	EURm	91.6	86.7	5.7
Pre-tax profit	EURm	16.9	15.7	7.6
Balance sheet total	EURm	875.2	884.2	-1.0
Equity	EURm	337.2	333.8	1.0
Gross cash flow	EURm	27.9	29.8	-6.4

Energy sales and supply

In the first quarter of 2017/18, electricity sales volumes to end customers rose to 347 GWh, an increase of 3.9% over the last year. However, electricity network distribution volumes decreased by 1.0% to 488 GWh. Natural gas sales volumes to end customers amounted to 356 GWh (previous year: 371 GWh), with natural gas network distribution volumes declining to 727 GWh (previous year: 785 GWh).

Income situation

The Group's revenue amounted to EUR 91.6m, a drop by 5.7% compared to the previous year. This development is attributable to increased electricity generation volumes from wind parks and significantly higher revenue from the biomass segment. However, the comparable reporting period was affected by a revision at the cogeneration plant in Heiligenkreuz.

Pre-tax profit amounted to EUR 16.9m, which represents an increase of 7.6% compared to the previous year.

Balance sheet and capital structure

As of 31 December 2017, the balance sheet total amounted to EUR 875.2m, with non-current assets (EUR 645.8m)

accounting for roughly 73.8% of total assets. The increase in non-current assets compared to last year is mainly the result of purchases of securities.

Shareholders' equity as of 31 December 2017, increased to EUR 337.2m, resulting in an equity ratio of 38.5%. At EUR 27.9m, gross cash flow for the first quarter of 2016/17 was 6.4% below last year's level.

Outlook

In addition to continuous grid expansion, grid renewal, and maintenance measures, Burgenland's distribution grid is being expanded further to integrate additional renewable power generation, in particular wind power plants. Following projects in the wind power sector are being realised at present:

- Construction of the wind park Bruckneudorf
- Expansion of the wind park Pama-Süd
- Expansion of the windpark Zurndorf II

In addition, in the sales division, measures are regularly implemented and products are developed (i.g. in connection with smart metering or the storage of solar energy) in order to maintain competitiveness and to build long-term customer relationships.

1) The information on performance refers to the interim group accounts of Energie Burgenland's 2016/17 business year as of 31 December 2017. For comparison, the figures from the interim group accounts as of 31 December 2016 are presented. The consolidation circle comprises 14 fully consolidated, two proportionately consolidated and three equityconsolidated companies.

Statement of the Management Board on the Interim Financial Report

pursuant to § 125 para 1 fig 3 Stock Exchange Act 2018

We confirm, that the abridged Interim Financial Statements drawn up in conformity with the relevant accounting standards present, to the best of our knowledge, a true and fair view of the company's assets, liabilities, financial position, and profit or loss, and the Interim Management Report presents a true and fair view of the company's assets, liabilities, financial position, and profit or loss with regard to important events during the first six months of the financial year and their impact on the abridged Financial Statements in terms of material risks and uncertainties in the remaining six months of the business year.

Eisenstadt, 23 May 2018

The Management Board



Klaus Kohlhuber
Member of the
Management Board



Nikolaus Sauer
Member of the
Management Board

Burgenland Holding AG

Corporate calendar 2017/18¹⁾

Results Q1–3 2017/18	09.08.2018
Annual results 2017/18	13.12.2018

1) Preliminary

Basic information

Share capital	EUR 21.81m
Denomination	3.0 million no-par bearer shares
Majority shareholder	EVN AG
Identification number (ISIN)	AT0000640552
Ticker symbols	BHAV.VI (Reuters); BURG AV (Bloomberg); AT; BHD (Dow Jones)
Stock exchange listing	Vienna

Imprint

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