



 Burgenland
Holding AG

ANNUAL FINANCIAL REPORT
2010/11

Key figures

Burgenland Holding AG

		2010/11	2009/10	2008/09
Balance sheet total	EUR m	73.6	76.5	76.6
Equity	EUR m	73.6	76.4	76.6
Investment income	EUR m	3.8	6.5	6.5
Net income	EUR m	3.6	6.3	6.4

BEWAG Group

		2010/11 preview	2009/10	2008/09
Electricity sales	GWh	1,256.9	1,254.8	1,246.1
Revenue	EUR m	251.4	286.1	274.1
Pre-tax profit	EUR m	23.4	-6.4	-7.5
Balance sheet total	EUR m	659.8	722.8	839.1
Equity ¹⁾	EUR m	191.5	177.7	199.6

¹⁾ Including untaxed reserves

BEGAS Group

		2010/11 preview	2009/10	2008/09
Natural gas sales volumes	GWh	2,288	2,198	2,014
Revenue	EUR m	88.1	84.0	71.9
Pre-tax profit	EUR m	8.7	7.2	14.1
Balance sheet total ¹⁾	EUR m	261.8	253.4	201.3
Equity ¹⁾	EUR m	133.2	129.1	121.7

¹⁾ Including untaxed reserves and construction cost subsidies

Energising the Burgenland Burgenland Holding AG

Burgenland Holding AG holds a share of 49% each in the share capital of Burgenländische Elektrizitätswirtschafts-AG (BEWAG) and BEGAS-Energie AG. The remaining 51% of the shares in BEWAG (share capital: EUR 34.9m) are held by the Burgenländische Landesholding GmbH. The share capital of BEGAS-Energie AG amounts to EUR 7.4m, with the remaining shares held by BEGAS-Gemeindeanteilsverwaltung AG (GAV). The shareholders in GAV are exclusively the municipalities in the Burgenland supplied with natural gas.

The shares of Burgenland Holding AG (share capital: EUR 21.81m) are listed on the Official Market of the Vienna Stock Exchange under ISIN 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 10% and WIEN ENERGIE GmbH holding between 5% and 10%. All other shareholders hold less than 5%.

Annual Report 2010/11

Content

Key figures	Cover
Company profile	Cover
Foreword of the Management Board	3
Corporate Governance Report (acc. to § 243b UGB)	4
Corporate bodies	4
Commitment to the Austrian Corporate Governance Code	5
BEWAG – Business development 2010/11 (preview)	9
BEGAS – Business development 2010/11 (preview)	11
Management Report	13
The Company's environment	13
Business development	15
Risk report	17
Outlook	17
Financial statements 2010/11	19
Balance sheet	19
Income statement	20
Development of fixed assets	20
Notes	21
Auditor's report	27
Report of the Supervisory Board	29
The Burgenland Holding share	30
Group structure	31
Proposed distribution of profits	33
Statement of the Management Board on the Annual Financial Report	33



Foreword of the Management Board

Moving positively into the future



Nikolaus Sauer, Klaus Kohlhuber

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

It is our pleasure as the new Management Board of Burgenland Holding AG to present to you on this occasion our first report on the performance of the company.

The financial year 2010/11 was marked by a challenging environment in terms of the economy as a whole and the energy sector as well as insecurity in the international financial and capital markets. Due to a decline in investment income, Burgenland Holding AG recorded a decrease in profits. In the reporting period, the associated company BEWAG reduced its dividend payout by half compared to last year, mostly because of a markedly lower financial result, while the dividends of BEGAS and CESEEG were held at last year's levels. The Management Board of Burgenland Holding AG will therefore recommend to the Annual General Meeting a dividend of EUR 1.15 per share for the 2010/11 business year.

BEWAG's corporate strategy is focused mainly on the domestic market and its core business – electricity sales, electricity grid operations and production. First and foremost, the expansion of electricity production from wind power is to be pushed strongly. At the same time, BEGAS is focusing on its existing natural gas grid, where the plan is to further intensify its customer base.

The past business year saw the initiation of a process to consolidate the two energy providers BEWAG and BEGAS. The resulting synergies that can be expected will increase the competitiveness of BEWAG and BEGAS in the long run. Burgenland Holding AG welcomes this step and will support it in the interest of its shareholders.

Klaus Kohlhuber
Member of the
Management Board

Nikolaus Sauer
Member of the
Management Board

Corporate Governance Report (acc. to § 243b UGB)

Corporate bodies



Management Board

Klaus Kohlhuber

Born in 1972, Doctor iuris, works in the Investment Management Division of EVN AG, management positions in domestic and foreign Group companies, member of the Management Board of Burgenland Holding AG since 2011, member of the Management Board of RAG-Beteiligungs-Aktiengesellschaft and Managing Director of WEEV Beteiligungs GmbH as well as EVN WEEV Beteiligungs GmbH. Initial appointment: September 5th, 2011
End of current term: September 4th, 2016
Two supervisory board mandates in foreign companies pursuant to C-Regulation 16 of the Austrian Corporate Governance Code.

Nikolaus Sauer

Born in 1969, Magister iuris, following a position in the personnel and legislative section of the Federal Chancellery, he assumed executive functions in the Office of the Provincial Government of the Burgenland, acted as the senior officer at Wasserleitungsverband Nördliches Burgenland; member of the Management Board of Burgenland Holding AG and Managing Director of WLV GmbH since 2008. Initial appointment: February 25th, 2008
End of current term: February 24th, 2013
No supervisory board mandates or comparable functions pursuant to C-Regulation 16 of the Austrian Corporate Governance Code.

Members of the Supervisory Board

Name (Year of Birth)	Appointment	Other functions	Independence Regulation 53
Leopold Buchmayer (1947) Chairman	from Oct. 5 th , 1994 until Dec. 31 st , 2010	CEO of Begas Energie AG	no
Stefan Szyszkowitz, MBA (1964) Chairman	from Mar. 11 th , 2011	Member of the Executive Board of EVN AG	yes
Peter Layr (1953) Vice Chairman	from Jun. 17 th , 1998	Spokesman of the Executive Board of EVN AG Member of the Supervisory Board of: VERBUND AG	yes
Michael Amerer (1963)	from Mar. 31 st , 2005	CEO of VERBUND Hydro Power AG	yes
Robert Dick (1971)	from Mar. 11 th , 2011	Head of Controlling, EVN AG	yes
Burkhard Hofer (1944)	from Mar. 31 st , 2005 until Mar. 11 th , 2011	CEO of EVN AG Member of the Supervisory Board of: Flughafen Wien Aktiengesellschaft and VERBUND AG	yes
Josef Kaltenbacher (1951)	from Apr. 23 rd , 2004	Chairman of the Supervisory Board of Burgenländische Elektrizitätswirtschafts-Aktiengesellschaft (BEWAG)	yes
Helmut Miksits (1947)	from Mar. 15 th , 2010	CEO of WIENER STADTWERKE Holding AG	yes
Werner Perz (1950)	from Mar. 18 th , 2002	Managing Director EnergieAllianz Austria GmbH	yes
Felix Sawerthal (1954)	from Dec. 9 th , 1996	Head of Secretariat General and Corporate Affairs, EVN AG	yes
Gerold Stagl (1960)	from Mar. 18 th , 2002	Provincial Director WIENER STÄDTISCHE VERSICHERUNG AG	yes

The term of the Members of the Supervisory Board elected by the Annual General Meeting ends upon conclusion of the Annual General Meeting deciding the 2012/13 business year.

Independence of the Supervisory Board

A member of the Supervisory Board shall be deemed independent if he or she has no business or personal relations with the company or its Management Board which would constitute a material conflict of interest and thus could influence the member's behaviour. In case such a conflict exists, the Austrian Corporate Governance Code provides for transition periods of several years.

The guidelines concerning the independence of the elected members of the Supervisory Board stipulate that the Supervisory Board member

1. shall not have any business or personal relations with Burgenland Holding AG or its Management Board which would constitute a material conflict of interest and thus could influence the member's behaviour;
2. shall not have served as a member of the Management Board or as an executive of Burgenland Holding AG in the past five years;
3. shall not maintain or have maintained in the past year any business relations with the company of significant extent to the Supervisory Board member. This shall also apply to relationships with companies in which the Supervisory Board member has a considerable economic interest, but shall not apply to the exercise of functions pertaining to corporate bodies within the Group. The approval of individual transactions by the Supervisory Board according to L-Regulation 48 does not automatically qualify the person as not independent;
4. shall not have been auditor of Burgenland Holding AG or have owned a share in or worked for the auditing company in the past three years;
5. shall not be a member of the Management Board of another company in which a Management Board member of Burgenland Holding AG is a Supervisory Board member;
6. shall not serve on the Supervisory Board for more than 15 years. This shall not apply to members of the Supervisory Board who are shareholders with an entrepreneurial investment or represent the interests of such a shareholder;
7. shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of persons in one of the aforementioned positions.

Commitment to the Austrian Corporate Governance Code

Burgenland Holding AG is an Austrian public limited company listed on the Vienna Stock Exchange. Thus, corporate governance can be defined within the framework of the Austrian Corporate Governance Code, in addition to the regulations of Austrian law, in particular the Companies Act and Capital Markets Act, regulations on employee co-determination, as well as the By-Laws of Burgenland Holding AG.

The Management and Supervisory Boards of Burgenland Holding AG are bound by the Principles of Good Corporate Governance and thus fulfill investor expectations with regard to responsible and transparent corporate governance and management control with a long-term perspective. To this end, Burgenland Holding AG fully subscribed to the Austrian Corporate Governance Code in the version of January 2006 as of June 1st, 2006. The Code as amended as of January 2010 has been binding on Burgenland Holding AG since October 1st, 2010.

The standards of the Austrian Corporate Governance Code are subdivided into three groups: The first category (Legal Requirement) – based exclusively on mandatory legal provisions – has to be applied by all listed Austrian companies and is also fulfilled to the letter by Burgenland Holding AG. Non-compliance with C-regulations (Comply-or-Explain) has to be justified publicly. R-regulations are of purely recommendatory character and leave companies a choice to deviate from such regulations without a need for explanation. The Management and Supervisory Boards of Burgenland Holding AG declare, notwithstanding the deviations and explanations listed below, full and complete compliance with the L- and C-Regulations of the Austrian Corporate Governance Code; furthermore, there are only isolated deviations from R-Regulations. The Corporate Governance Report of Burgenland Holding AG may be retrieved under www.buho.at/Corporate.html.

Measures to promote women on the Management Board, the Supervisory Board and in senior positions

It is the Company's goal to achieve a balanced distribution in filling the positions of its corporate bodies, with mandatory application of the Staffing Act in filling open positions. In the past business year, two Supervisory Board mandates and a position on the Management Board were advertised, and all of those positions generated exclusively applications from men. As the Company does not have any employees, no specific promotion measures are planned.

Deviations from C-Regulations

Due to peculiarities of the Austrian energy sector as well as the Company, Burgenland Holding AG does not comply with the following C-Regulations of the Austrian Corporate Governance Code:

Regulation 16: Given the Company's holding function and the resulting collegial decision-making, which has always resulted in unanimous resolutions, it is considered unnecessary to appoint a chairperson of the Management Board.

Regulation 27: In view of the size of the Company and the connected non-main occupations thereby, the Management Board's remuneration is based on an hourly lump sum; thus, it does not include any fixed or performance-based components.

Regulation 31: Remuneration is disclosed for the Management Board as a whole. Any disclosure of individual remunerations is done at the discretion of each Member of the Management Board and does therefore not occur in the process of reporting.

Regulation 37: compare Regulation 16; any discussion on strategy, business performance and risk management is effected by the entire Management Board.

Regulations 65, 66, 69 and 70: As there is no obligation to prepare consolidated Group accounts, IFRS are not applied. Reporting is effected pursuant to applicable Austrian financial reporting requirements.

Regulation 74: The dates for the current business year up to the publication of the results for the year will be determined at the first meeting of the Supervisory Board in this business year and will then be published immediately in the corporate calendar on the Company's homepage.

Clear separation of Company Management and Supervision

The Austrian Companies Act (AktG) prescribes a two-tier governance system. It provides for a clear separation of members of the executive body (Management Board) and monitoring body (Supervisory Board). Simultaneous membership in both bodies is not admissible.

Management of the Company by the Management Board

The Management Board of Burgenland Holding AG is comprised of two members. On its own responsibility, the Management Board has to manage the Company in such a manner as is required by the purpose and the viability of the Company taking into account the interests of shareholders and employees as well as public interest. Its actions are based on legal regulations as well as the Rules of Procedure for the Management Board as laid down by the Supervisory Board. Further important rules of conduct are stipulated by the Austrian Corporate Governance Code.

In matters requiring consent stipulated as such by law or resolution of the Supervisory Board, the Management Board has to obtain the consent of the Supervisory Board. The Rules of Procedure contain an extensive catalogue of such matters.

Reporting duties of the Management Board

The Management Board has to report to the Supervisory Board in accordance with the provisions of organisational law. The reporting obligation specified therein applies also towards Committees of the Supervisory Board. The reporting duties of the Management Board also include quarterly reports about the situation of the Company as well as information on important matters concerning associated companies.

Communication between Management Board and Supervisory Board is effected in the course of meetings of the Supervisory Board, its Committees as well as in writing if called for. Moreover, continuous coordination between the Management Board and the Chairman of the Supervisory Board occurs with regard to those activities which fall within the purview of the Supervisory Board. This includes, above all, the preparation of meetings.

Supervisory Board

As of September 30th, 2011, the Supervisory Board of Burgenland Holding AG comprises a total of nine members elected by the Annual General Meeting. Following the resignation of Leopold Buchmayer and Burkhard Hofer from the Supervisory Board, two positions were filled at the 22nd Annual General Meeting on March 11th, 2011. The Supervisory Board is headed by the Chairman and a Vice Chairman, which the Supervisory Board elects from within its own members. The independence of the individual members of the Supervisory Board according to Regulation 53 of the Austrian Corporate Governance Code can be seen from the list on page 4. The Supervisory Board exercises its functions in accordance with the provisions of the Austrian Companies Act as well as the Company By-Laws. Furthermore, its actions are based on the Rules of Procedure for the Supervisory Board as well as the Austrian Corporate Governance Code.

In particular, the Supervisory Board is responsible for monitoring the actions of the Management Board, from which the former can request a report on Company matters at any time. The list of transactions requiring consent defined by law (§ 95 para 5 AktG) can be extended by the Supervisory Board by way of resolution. Such catalogue can be found in the respective Rules of Procedure for the Management Board and the Supervisory Board.

The Committees of the Supervisory Board

The Supervisory Board will exercise its functions in plenary session to the extent that individual matters are not assigned to Committees of the Supervisory Board. At the moment, the following Committees have been set up in the Supervisory Board of Burgenland Holding AG, each of which consists of three elected members of the Supervisory Board:

- The Supervisory Committee was responsible for the internal audit and the preparation of the adoption of the Annual Financial Statements, the recommendation on distribution of profit and the Company's Management Report in the 2010/11 business year. Furthermore, it draws up a proposal for choice of auditors. The responsibilities of the Committee were formally expanded as provided by law as of October 1st, 2009.
- The Nominating Committee submits to the Supervisory Board proposals for the filling of vacant seats on the Management Board and deals with the planning of succession. Furthermore, the Nominating Committee submits to the Annual General Meeting proposals for the filling of seats becoming vacant (Regulation 42 Austrian Corporate Governance Code).
- The Compensation Committee deals with matters related to the compensation of members of the Management Board as well as the content of contracts of employment with members of the Management Board.

All three Committees consist of the members of the Supervisory Board Stefan Szyszkowitz (Chairman), Robert Dick and Felix Sawerthal.

Compensation report

Profit participation of the Management Board

Directors (Regulation 30): There is no profit participation of the Management Board within the Company. Likewise, there is no corporate pension scheme and no entitlement/claim of the Management Board upon termination of their functions.

Stock Options (Regulation 29): Burgenland Holding AG does not have a stock option scheme for members of the Management Board.

Directors' Dealings (Regulation 70): No purchase of Burgenland Holding AG shares by a member of a corporate body was notified to Burgenland Holding AG in the 2010/11 business year.

Compensation scheme for the Supervisory Board

(Regulation 51): The compensation of the Supervisory Board is set as an annual lump sum of approximately TEUR 13. Disbursed meeting fees have to be deducted from this amount, with the remainder to be distributed as compensation of the Supervisory Board according to the following key:

The Chairman receives 25% (with meeting fees in the amount of about EUR 218), his Deputy approximately 16.7% (meeting fees of about EUR 164), and each further member of the Supervisory Board gets about 8.3% (meeting fees amounting to around EUR 109) of this lump sum.

Contracts of members of the Supervisory Board

requiring consent (Regulation 48): No member of the Supervisory Board entered into a contract with Burgenland Holding AG or one of its subsidiaries obliging or entitling such member to perform in return for any consideration exceeding an insignificant amount.

Shareholders and Annual General Meeting

Shareholders exercise their rights at the Annual General Meeting and exercise their voting rights there. Each share of Burgenland Holding AG grants one vote. There are no shares granting multiple or preferential voting rights. The Annual General Meeting is entitled to take certain decisions stipulated by law or in the By-Laws. It votes on the application of net profit as well as on the discharge of the members of the Management Board and the Supervisory Board and elects the auditors as well as the members of the Supervisory Board. Furthermore, proposals for changes to the By-Laws and planned capital measures have to be presented to the Annual General meeting for approval. The voting results as well as the agenda for the 22nd Annual General Meeting of Burgenland Holding AG of March 11th, 2011 can be found on the website of Burgenland Holding AG (www.buho.at).

Issuer Compliance

In accordance with the Austrian Companies and Stock Exchange Acts, the Austrian Regulation on Issuer Compliance as well as the EU's Market Abuse Directive, Burgenland Holding AG has an extensive set of internal rules in place aimed at preventing the abuse of insider information.

This area is monitored and administered by a Compliance Officer, who reports directly to the Management Board. The regular inspections by the Compliance Officer did not result in any complaints in the 2010/11 business year.

Eisenstadt, November 24th, 2011



Klaus Kohlhuber
Member of the
Management Board



Nikolaus Sauer
Member of the
Management Board



BEWAG – Business development 2010/11 (preview)¹⁾

October 1st, 2010 – September 30th, 2011

Highlights

- Sale of stake in BECOM Electronics GmbH including its subsidiaries
- Sale of stake in B.net Hrvatska d.o.o. including its subsidiaries
- Further disposals to concentrate on core business
- Initiation of a process with regard to the combination of BEWAG and BEGAS Energie AG

Electricity sales and supply

In the financial year 2010/11, BEWAG's electricity supply will amount to 1,329.5 GWh, and electricity sales to final customers by BEWAG Energievertrieb GmbH & Co KG will be 1,256.9 GWh, about 0.2% above the volumes in the corresponding period of the previous year (October 1st, 2009 – September 30th, 2010). Compared to the previous business year, grid sales will increase by approximately 2.1% to 1,621.8 GWh.

Income situation

Revenue of the BEWAG Group will amount to about EUR 251.4m, which corresponds to a decrease of roughly 12.1% compared to the previous period. This will mainly be due to the deconsolidation of BECOM Electronics GmbH and B.net Hrvatska d.o.o. resulting from disposal.

Pre-tax profit is expected to be about EUR 23.4m, thus significantly higher than in the previous year. This increase results, on the one hand, from the fact that the two tranches of the US cross-border lease transaction which impaired the result last year no longer apply, and, on the other hand, from profits realised in connection with the sale of stakes in BECOM Electronics GmbH and B.net Hrvatska d.o.o.

Financial situation

The operating cash flow of approximately EUR 38.6m will be about 55.6% above last year's level. This is mainly due to the fact that the impairment by the US cross-border lease no longer applies and the successful sale of investments.

Balance sheet and capital structure

As of September 30th, 2011, the balance sheet total will amount to EUR 659.8m, with fixed assets (about EUR 551.4m) accounting for 83.4% of total assets. Equity including untaxed reserves will amount to EUR 191.5m, resulting in an equity ratio of approximately 29.0%. The increase compared to the previous year (23.9%) is mainly the result of the decrease in the balance sheet total result

from the sale of investments and the profits realised in the process. Taking into account construction cost subsidies and investment grants (excluding deferred taxes), the equity ratio is expected to amount to 38.3%.

Outlook

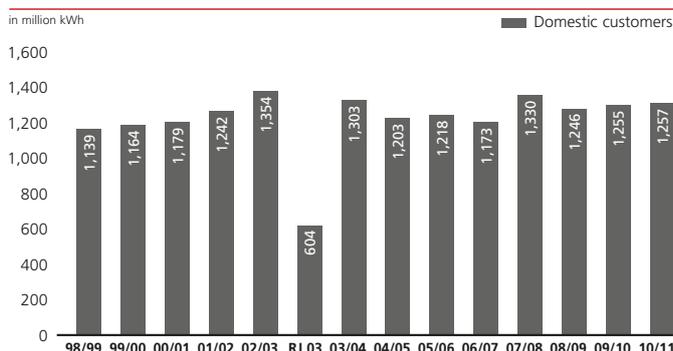
In the following business year, efforts concerning the disposal of investments will be intensified further, with transactions expected to be completed in the first six months of the 2011/12 business year. In addition, the following business year will be marked by the combination of BEWAG and BEGAS Energie AG as well as strong expansion in the wind energy sector.

BEWAG Group – Key figures

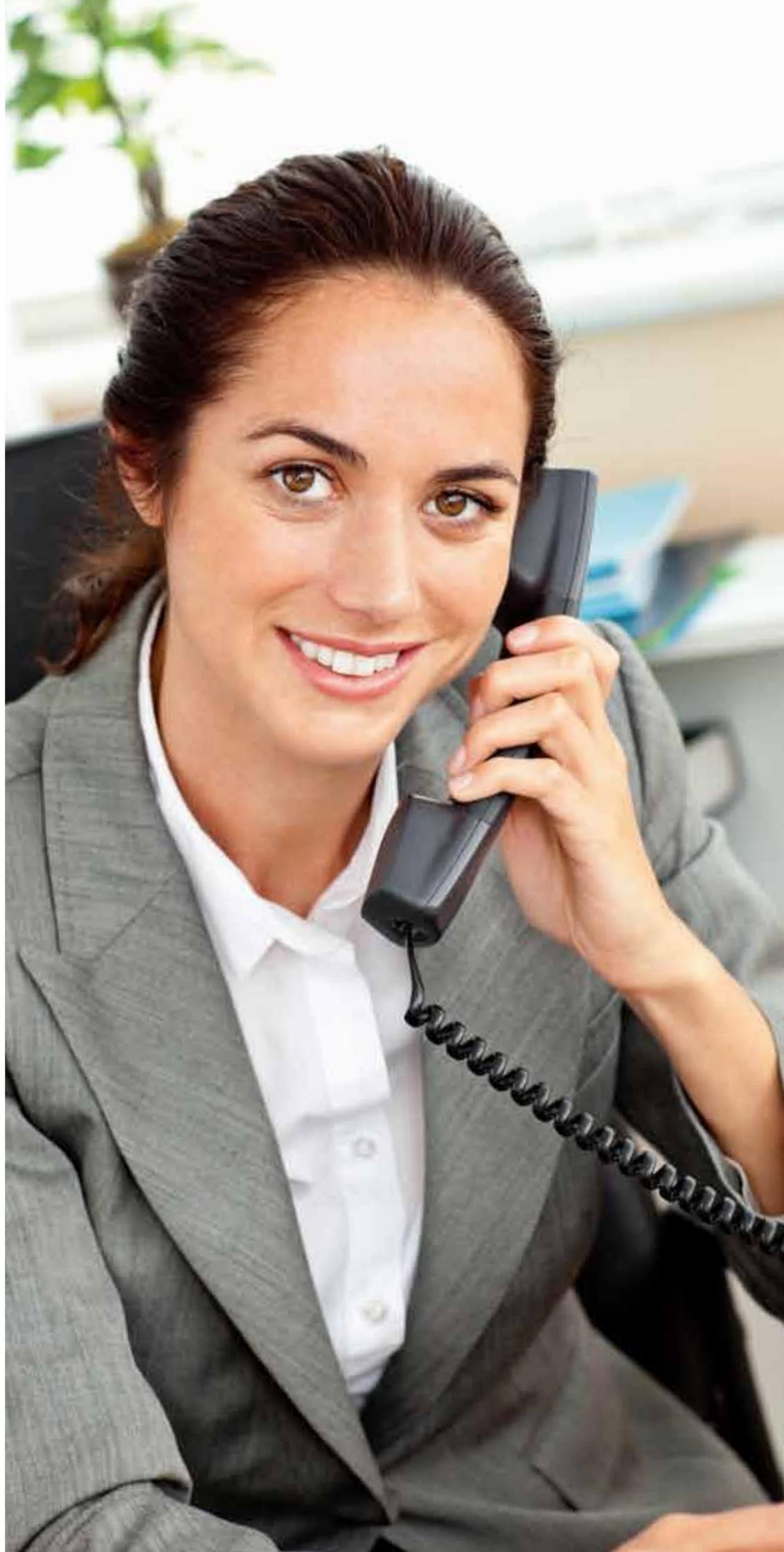
		2010/11 preview	2009/10	Change %
Electricity sales	GWh	1,256.9	1,254.8	0.2
Grid sales	GWh	1,621.8	1,588.5	2.1
Revenue	EUR m	251.4	286.1	-12.1
Pre-tax profit	EUR m	23.4	-6.4	-
Balance sheet total	EUR m	659.8	722.8	-8.7
Equity ¹⁾	EUR m	191.5	177.7	7.8
Operating cash flow	EUR m	68.9	-2.5	-

¹⁾ Equity including untaxed reserves

Development of electricity sales



¹⁾ Information on performance refers to a preview of BEWAG's Group accounts for the financial year 2010/11 as of September 30th, 2011, based on the interim accounts as of March 31st, 2011 (six months of actual figures and six months of budget figures). For comparison, we present the figures from the Group accounts as of September 30th, 2010. The numbers are comparable only to a limited extent as the scope of consolidation has changed significantly as a result of the deconsolidation of BECOM Electronics GmbH, BECOM Electronics Hungary GmbH, tough systems GmbH and B.net Hrvatska d.o.o. resulting from disposal.



BEGAS – Business development 2010/11 (preview)¹⁾

October 1st, 2010 – September 30th, 2011

Natural gas sales volumes

In total, 2,288 GWh of natural gas was sold from October 2010 to September 2011. This represents an increase of 4.1% over the same period of the previous year and can be put down mainly to higher sales volumes with industrial customers and the colder weather in the 2010/11 business year as compared to last year.

Income situation

BEGAS Group's revenue will amount to an estimated EUR 88.1m in the financial year 2010/11.

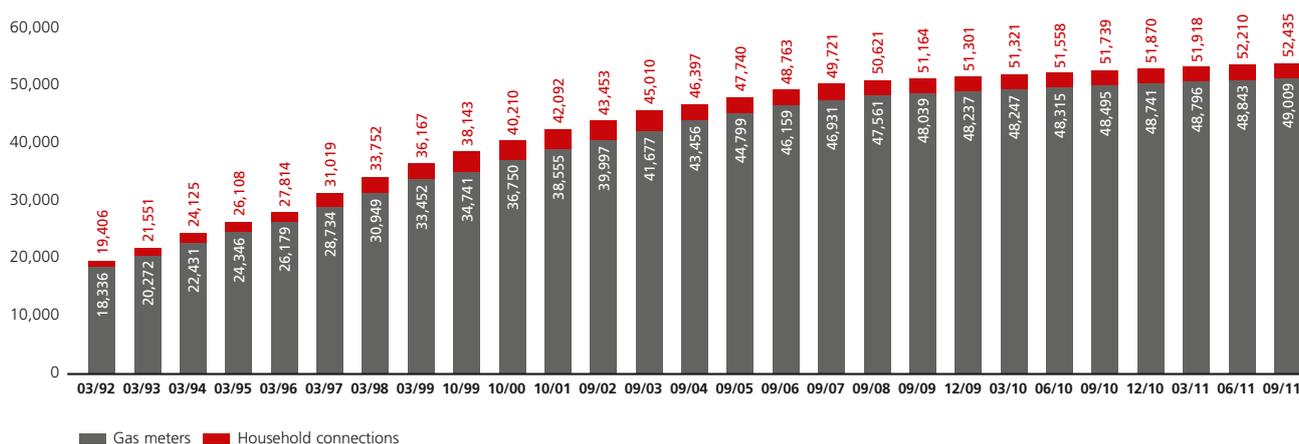
Mostly as a result of higher sales of natural gas, the pre-tax profit for the 2010/11 business year is expected to amount to EUR 8.7m.

BEGAS Group – Key figures

		2010/11 preview	2009/10	Change in %
Natural gas sales volumes	GWh	2,288	2,198	4.1
Revenue	EUR m	88.1	84.0	4.9
Pre-tax profit	EUR m	8.7	7.2	20.8
Balance sheet total ¹⁾	EUR m	261.8	253.4	3.3
Equity ¹⁾	EUR m	133.2	129.1	3.2

¹⁾ Including untaxed reserves and construction cost subsidies

Customer development



¹⁾ Information on performance refers to the preliminary financial statements of BEGAS Energie AG, BEGAS Energievertrieb GmbH & Co KG, BEGAS Netz GmbH, BEGAS Asset GmbH, IGM – Industrie- u. Gewerbepark Mittelburgenland Erwerbs-, Erschließungs- und Errichtungs-Gesellschaft m.b.H., Biomassekraftwerk Betriebs GmbH & Co KG and RVH Reststoffverwertung GmbH consolidated by management (no consolidation under the Commercial Code).



Management Report

The Company's environment

Legal environment

European energy policy

On November 10th, 2010, the European Commission presented its new strategy with regard to competitive, sustainable and secure energy, which corresponds to the "Europe 2020" energy policy objectives adopted by the European Council in June 2010. In doing so, it defined the top five energy policy priorities for the next ten years:

- Realisation of energy savings with a focus on the two sectors with the highest potential – traffic and buildings
- Creation of an integrated pan-European energy market
- Competitive prices and secure supply by means of investments in energy infrastructure in the total amount of about EUR 1 trillion
- Promotion of technological leadership
- Effective negotiations with international partners and third countries

This strategy was discussed and adopted by the heads of state and government at the first EU Energy Summit in February 2011. The EU Commission was instructed to work out specific legislative initiatives and proposals in the next 18 months.

The EU had previously set a target for increasing the energy efficiency of its Member States by 20% by the year 2020. From the EU Commission's point of view, this target will likely be missed clearly without the adoption of further measures, which is why it submitted a new energy efficiency plan in March 2011. In that plan, new measures were defined that are supposed to lead to a reduction in energy consumption, with a focus on the areas of buildings and industry, which together account for nearly 70% of EU's primary energy consumption. According to the EU Commission, financial aid to realise savings potentials should be offered both on an EU level and on a national level. In order to specify this further, the EU Commission will work out legislative proposals also for the 2011 Energy Efficiency Plan.

On October 19th, 2001, shortly after the end of the reporting period, the EU Commission presented its proposal for guidelines on trans-European energy networks, the so called EU Energy Infrastructure Package 2020/30. The goal of this Package is the identification and promotion of priority grid expansion projects in the Member States which will form a secure EU-wide energy network and storage capacities by 2020. The EU Commission has identified twelve international transportation routes for the supply of electricity, gas, oil and CO₂.

Energy policy environment

Between October 2010 and September 2011, the Austrian National Council passed important laws for the complete implementation of the Third Single Energy Market Package of the EU.

Thus, for example, the 2010 Electricity Industry and Organisation Act (EIWOG 2010) and the Energy Regulatory Authority Act (E-Control) were passed on December 1st, 2010. EIWOG 2010 focused on the unbundling of transfer grid operators as well as a clear stipulation of the public interest in Austria's secure energy supply, which will thus have to be treated as equal with environmental and other public interests in the course of authorisation procedures. With regard to the redesign of public agencies, the independence of the regulator E-Control was supported as a guarantor of competition, supervision and consumer protection.

On July 7th, 2011, the National Council passed the Green Electricity Act 2: the annual funding of new green electricity projects (wind, biomass/biogas and photovoltaics) will be increased from currently EUR 21.0m to EUR 50.0m, with overall subsidies up to the year 2015 being raised from currently EUR 350.0m to EUR 550.0m. Funding for new projects will be reduced by EUR 1m per year to reach a level of EUR 40.0 by 2021. Funds were set aside for new wind power projects (EUR 11.5m per year), biomass and biogas projects (EUR 10.0m), photovoltaics (EUR 8.0m), and small-scale hydropower projects (EUR 1.5m), with another EUR 19.0m per year distributed in a flexible manner. In addition, as one-time funding, EUR 110.0m is used to execute all projects on the waiting list. These funds will support the operators of green electricity plants for at least 13 years by means of guaranteed feed-in tariffs, which will cover the investment and financing costs of the new plants and ensure a minimum yield of 6.0%.

These measures are intended to increase the share of renewable energy in overall energy consumption from currently 68% to 85% by 2020. This corresponds to an expansion capacity of 11 TWh, which is about one fifth of the energy demand of final customers of close to 55 TWh. In the same period, the wind power capacities will likely triple from 1,000 MW to 3,000 MW, with the capacities of photovoltaic plants rising from 100 MW to 1,200 MW. Furthermore, it was decided that Austria's imports of nuclear energy will have to be offset by green electricity by 2015 at the latest. As a result of this amendment as well as the further expansion of hydropower, additional capacities of about 5 TWh per year should be available from 2015, which would clearly exceed the average volume of 3.3 TWh of nuclear power imported into Austria each year. However, connecting these additional capacities to the supply grid will pose a great challenge for the grid operators.

On October 19th, 2011, the Austrian Gas Act (GWG) was adopted in the National Council, which constituted the full implementation of the Third Single Energy Market Package of the EU concerning the promotion of competition in the gas market. The amendment focused on the rights of households and business enterprises, the increase of supply security based on ideal conditions for investments as well as the creation of a legal basis for the introduction of new and

intelligent meters. A further goal of the Act is the unbundling of pipeline operators and other activities of a vertically integrated natural gas company, which aims at promoting competition. Quality assurance and the further expansion of gas lines will be made possible by system usage charges reflecting an adequate compensation for the maintenance of infrastructure and new investments in the gas grid. The introduction of the new market model and the change in tariffs are to be effected by January 1st, 2013.

A system of incentive regulation on a uniform basis was introduced for electricity grids (four years) and gas grids (five years) in early 2006 and early 2008, respectively: They provide for a compensation of inflation, reduced by an increase in productivity expected of all grid operators as well as an increase in efficiency specific to each company. The most important framework conditions for the second regulation period for electricity grids (2010-2013) were stipulated at the end of 2009. Material changes included the update of the cost of capital (WACC rose to 7.025% from 6.040%) and the introduction of investment incentives during the regulation period, as well as passing on 50% of the efficiency increase to final customers at the end of the regulation period.

Economic environment

The momentum of global economic growth has slowed down further since summer 2011 after the EU-27 GDP had already grown by a mere 0.2% in the second quarter of 2011 compared to the previous year. Across Europe, private household consumption declined by about 0.2% in the second quarter of 2011.

These leading indicators and the insecurity in the financial markets due to the sovereign debt crisis point to a clear slow-down in economic activity. Those economies in the eurozone which had experienced stronger growth thus far are suffering a disproportionately large share of the impact. High sovereign debt is forcing many countries to pursue a course of consolidation with regard to their fiscal policy.

In the current environment, any forecasts on the future development of Europe's economy overall are to be viewed with an appropriate degree of caution. Reliable forecasts assume a growth in GDP for the EU-27 of 1.6% and 0.2% for 2011 and 2012, respectively. The forecasts for Austria call for a growth in GDP by 3.0% for 2011 and between 0.8% and 1.3% for 2012.

Energy sector environment

The conditions in the energy sector have a major impact on the performance of the associated companies BEGAS and BEWAG. The weather had an impact on the energy consumption primarily of households, in particular their demand for gas and heat. The demand for energy of industrial customers is determined mostly by their sales performance and thus by the overall economic development.

In each month since December 2009, electricity consumption in Austria has been higher than the consumption in the respective month of the corresponding period of the previous year. In the fourth quarter of 2010, electricity consumption in Austria was up 4.3%. Besides the colder weather (-1.6 degrees Celsius), the increase in consumption can be

explained by increased industrial needs due to higher demand. In the first six months of 2011, electricity consumption rose by 0.9%, or 0.3 TWh, to 34.4 TWh, almost back at the level of consumption before the economic crisis. The increase in consumption was significantly higher for electricity supply overall than in the public grid, where only a slight increase by 0.4%, or 0.1 TWh, was recorded. This suggests that a large share of the increased consumption can still be put down to the economic development.

For the associated companies BEGAS and BEWAG, the colder weather in Austria in the financial year 2010/11 led to higher demand.

As a result of the positive economic development, especially the continued strong demand in Asia, the price of Brent crude oil, which serves as a reference for Europe, was 31.8% higher for the 2010/11 business year than last year in euro terms. The price of gas, which is basically linked to the price of crude oil, was 19.6% above last year's level, while the price of coal went up by 25.1%. The price of CO₂-emission certificates rose 3.7% to EUR 14.76 per tonne. The discussion about raising the European reduction goal with regard to CO₂ from currently 20% to 30% as well as Germany exiting nuclear energy led to an increase in CO₂ prices to more than EUR 17.0 from February 2011. In the fourth quarter of the 2010/11 business year, the EU debt crisis and concerns about the further development of the global economy led to a decline in the price level to just above EUR 10.0 per tonne.

The spot and forward market prices of electricity went up as a result of weather conditions in the first quarter of the 2010/11 business year, and again from the third quarter on as a consequence of Germany shutting down nuclear power plant capacities. However, the price increase starting in mid-March 2011 has been cushioned by higher production from renewable energy. Compared to last year, the overall spot market prices for base load electricity and peak load electricity were up by an average of 24.9% and 18.2%, respectively. By contrast, the forward prices of base load electricity were up 2.9%, thus only slightly higher than during the same period in the previous year, while the forward prices of peak load electricity even decreased 5.5%.

With a view to securing supply, energy is regularly procured in advance on the forward market, which is why the prices on forward markets have a considerable impact on the performance of the associated companies BEGAS and BEWAG. The long-term purchasing policy made it possible for BEWAG to keep electricity prices stable despite high volatilities in the international energy markets from January 2009 until the increase on April 1st, 2011. After BEGAS had lowered its gas prices for final customers significantly in April 2009 and the purchase price of gas, which is pegged to the price of crude oil, rose markedly, an increase in the gas prices for final customers as of April 1st, 2011, proved to be inevitable from a business perspective.

Burgenland Holding AG

Business development

October 1st, 2010 – September 30th, 2011

Highlights

- Dividend distribution by BEGAS and CEESEG AG at last year's level
- BEWAG dividend reduced to half of last year's level
- Replacing a position on the Management Board
- Recommendation to the Annual General Meeting: dividend payout of EUR 1.15 per share

Income situation

The performance of Burgenland Holding AG is determined mainly by the dividends of the two associated companies BEWAG and BEGAS.

The decrease in profit at Burgenland Holding AG in the financial year 2010/11 was caused by a reduction by half compared to last year of the dividend payout by BEWAG. In the 2010/11 business year, Burgenland Holding AG received total investment income amounting to EUR 3.84m (2009/10: EUR 6.54m), which was composed of the BEWAG dividend of EUR 2.7m and the BEGAS distribution in the amount of EUR 1.09m, both for the financial year 2009/10. Furthermore, Burgenland Holding AG received a dividend of EUR 0.05m from CEESEG AG, in which it holds 0.99%.

Due to the fact that interest rates rose slightly compared to the previous year, Burgenland Holding AG – in spite of a significantly lower investment volume during the year – was able to record an increase in interest income. All in all, Burgenland Holding AG received interest and similar income in the amount of EUR 0.03m (previous year: EUR 0.02m).

Burgenland Holding AG does not employ any personnel.

Based on the net profit for 2010/11, the distribution of a dividend to the shareholders in the amount of EUR 1.15 per share, totalling EUR 3.45m, is recommended to the Annual General Meeting.

Stable balance sheet and capital structure

In spite of the marked reduction in investment income, Burgenland Holding AG's sound capital structure remained basically unchanged compared to the financial year 2009/10. The balance sheet total stands at EUR 73.6m, thus EUR 2.8m below the previous year. As of September 30th, 2011, the equity ratio remains unchanged at 99.9%.

The Company's share capital was reorganised following a resolution of the 10th Annual General Meeting on July 7th, 1999, and now amounts to EUR 21.81m, broken down into 3 million individual bearer shares. The shares of Burgenland Holding AG are listed in the "standard market auction" segment of the Vienna Stock Exchange.

As the majority shareholder, EVN AG holds 73.63% of the shares of Burgenland Holding AG. VERBUND AG holds more than 10% of the shares, while WIEN ENERGIE GmbH holds between 5% and 10%. No other shareholder holds more than 5%, with those shares being in free float.

There are no restrictions on the share capital with regard to voting rights or the transfer of shares.

The members of the Management Board have no extended authority regarding the possibility to issue or buy back shares.

There are no provisions in which the Company has a part and that become effective, change or end upon a change in control of the Company as a result of a takeover bid.

Burgenland Holding AG – Key figures

		2010/11	2009/10	Change in %
Pre-tax profit	EUR m	3.6	6.3	-42.9
Investment income	EUR m	3.8	6.5	-41.5
Net income	EUR m	3.6	6.3	-42.9
Balance sheet total	EUR m	73.6	76.5	-3.8
Fixed assets	EUR m	71.3	71.3	-
Current assets, prepaid expenses and deferred charges	EUR m	2.3	5.1	-54.9
Equity	EUR m	73.6	76.4	-3.7
Debt capital	EUR m	0.1	0.0	-

Financial year 2010/11

Income ratios

	TEUR	2010/11	2009/10	Change nominal	Change in %
Earnings before interest and tax (EBIT)	Pre-tax profit + interest and similar expenses pursuant to § 231 (2) Z 15 UGB	3,632	6,334	-2,702	-42.3

Since the business activities of Burgenland Holding AG are confined to holding and managing investments, Burgenland Holding AG again did not generate any revenues in the financial year 2010/11.

		2010/11	2009/10	Change in %
Return on capital				
Return on equity	Pre-tax profit / average equity	4.8 %	8.3 %	-3.5
Return on assets	EBIT / average total assets	4.8 %	8.3 %	-3.5

Balance sheet and financial ratios

	TEUR	2010/11	2009/10	Change nominal	Change in %
Working capital	Current assets – Long-term current assets = short-term current assets – short-term debt capital = Working capital	2,292	5,114	-2,821	-55.2
Equity ratio	Equity / total assets	99.9 %	99.9 %	–	–

Burgenland Holding AG does not show any liabilities vis-à-vis credit institutions either as of September 30th, 2011, or as of the corresponding date. Due to the sharp decrease in the BEWAG payout as well as the fact that interest rates are still at a low level, the working capital is clearly lower than last year. Like last year, net gearing (net debt / equity) amounts to 0.00%.

Cash flow statement

	TEUR	2010/11	2009/10	Change nominal	Change in %
Net operating cash flow		3,613	6,358	-2,745	-43.2
Net investment cash flow		0	0	–	–
Net financing cash flow		-6,450	-6,450	–	–
Change in cash and cash equivalents affecting cash flow		-2,837	-92	-2,745	–

(The extended fund of cash and cash equivalents, in addition to the balance held with financial institutions, also comprises cash and cash equivalents from Group cash pooling)

Based on a net income of EUR 3.6m, an operating cash flow of EUR 3.6m could be achieved. The high net income was determined mostly by the distributions of the associated companies.

Environmental protection

Early on, EVN Group installed a comprehensive environmental management system in order to take into account environmental protection in all its management decisions; Burgenland Holding AG is also integrated in this system. Environmental activities are not conducted within the Company itself, but are carried out by the associated companies BEWAG and BEGAS on the one hand, and EVN Group on the other.

Branch offices

Burgenland Holding AG does not have any branch offices.

Risk assessment and control measures

The employees involved in the accounting process meet the qualitative requirements and receive training on a regular basis. The company's accounts are maintained in SAP-FI and safeguarded by compulsory automatic and manual checks.

Every three months, the Management Board receives a comprehensive report on the Company's asset, financial, and income situations, which – in addition to the balance sheet – also contains a profit and loss account as well as a cash flow statement. These reports are also presented to the Supervisory Board every three months.

Burgenland Holding AG continues to keep an increased focus on managing its equity risk. In organising the Group's risk management, management accounting for investments is thus given a special role.

Research and development

Research and development activities are conducted in the associated companies, not at Burgenland Holding AG.

Events after the balance sheet date

There were no significant events following the end of the business year that had a material impact on the asset, financial and income situations.

Replacement of a member of the Management Board

Following his acceptance of board position with Flughafen Wien AG, Günther Ofner laid down his function as a member of the Management Board of Burgenland Holding as of September 4th, 2011. The Supervisory Board elected Klaus Kohlhuber as a new member of the Company's Management Board.

Outlook

Based on the forecast/preliminary profits of the associated companies BEGAS and BEWAG for 2010/11, an increase in investment income back to the level of previous years is expected for the financial year 2011/12. The process which has been initiated to combine the two energy providers BEGAS and BEWAG is intended to ensure an optimised exploitation of synergies. Burgenland Holding AG welcomes the merger plans of BEGAS and BEWAG and is expecting a positive impact on the payout potential, which makes it reasonable to expect a sustainable return of investment income to the level of previous years.

Eisenstadt, November 24th, 2011

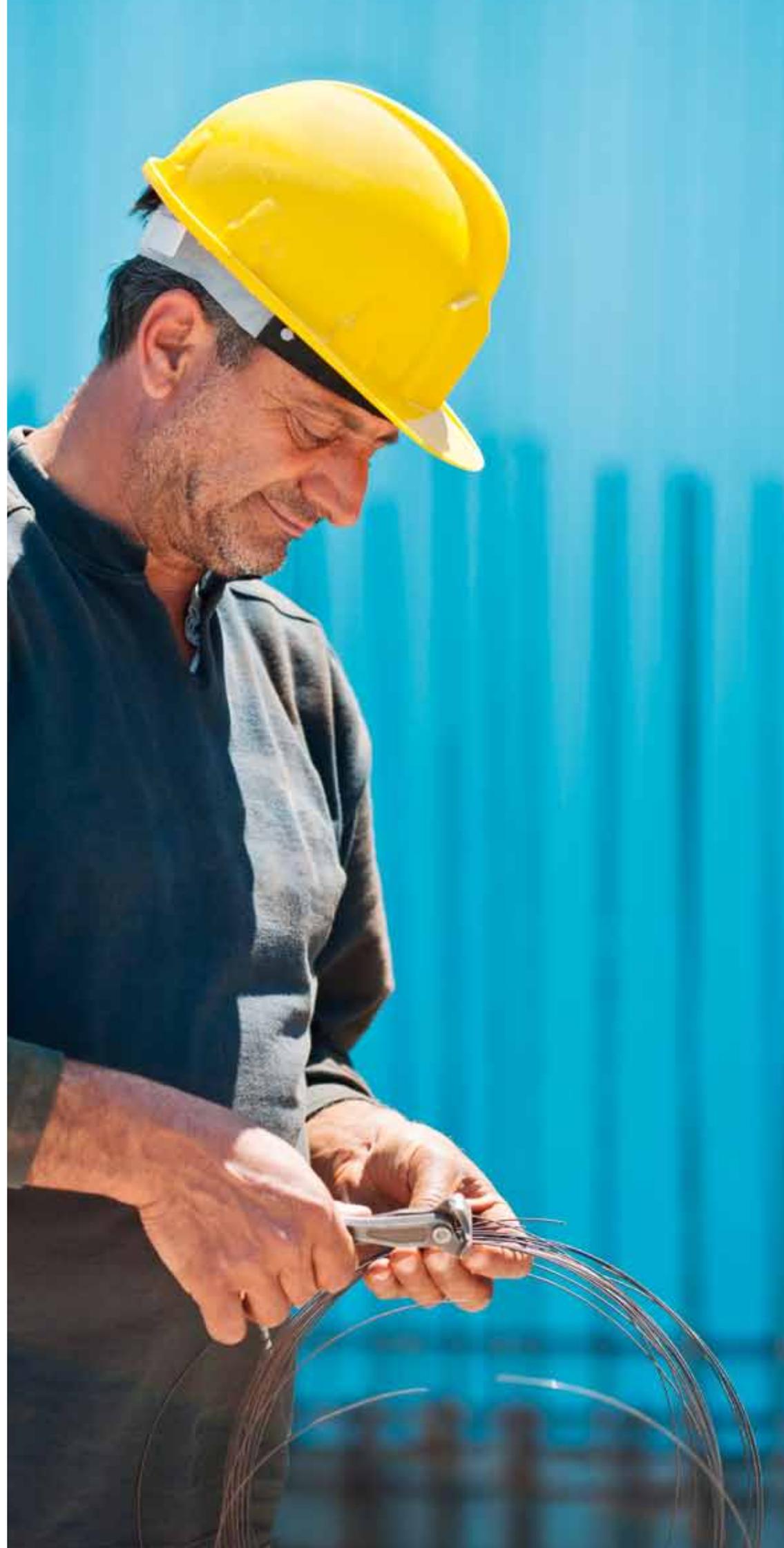
The Management Board



Klaus Kohlhuber
Member of the
Management Board



Nikolaus Sauer
Member of the
Management Board



Financial statements 2010/11

Balance sheet as of September 30th, 2011

(Comparison with last year as of September 30th, 2010)

Assets

	Sep. 30 th , 2011 EUR	Sep. 30 th , 2010 TEUR
A. Fixed assets		
Financial assets		
Investments	71,325,280.80	71,325
	71,325,280.80	71,325
B. Current assets		
I. Accounts receivable and other assets		
1. Receivables from affiliated companies	2,265,000.00	5,095
2. Other receivables	38,362.80	19
	2,303,362.80	5,114
II. Cash at banks		
Cash at banks	6,133.75	13
	2,309,496.55	5,127
C. Deferred expenses and accrued income	1,721.67	2
Total assets	73,636,499.02	76,454

Equity and liabilities

	Sep. 30 th , 2011 EUR	Sep. 30 th , 2010 TEUR
A. Equity		
I. Share capital	21,810,000.00	21,810
II. Capital reserves		
Committed reserves	43,676,373.33	43,676
III. Retained earnings		
Other reserves (free reserves)	4,682,000.00	4,502
IV. Net profit	3,450,769.87	6,451
thereof profit carried forward	1,393.59	1
	73,619,143.20	76,439
B. Provisions		
I. Tax provisions	875.00	1
II. Other provisions	15,070.72	14
	15,945.72	15
C. Liabilities		
I. Trade accounts payable	1,410.10	0
	1,410.10	0
Total equity and liabilities	73,636,499.02	76,454

Development of fixed assets

Fixed asset schedule

EUR	Acquisition cost Sep. 30 th , 2010	Additions	Disposals	Reclassification
I. Financial assets				
BEWAG	54,504,625.63	0.00	0.00	0.00
BEGAS	15,713,177.85	0.00	0.00	0.00
CEESEG AG	1,107,477.32	0.00	0.00	0.00
Investments	71,325,280.80	0.00	0.00	0.00
Total I	71,325,280.80	0.00	0.00	0.00
Total – fixed assets	71,325,280.80	0.00	0.00	0.00

Income statement

October 1st, 2010 – September 30th, 2011

(Period of comparison: October 1st, 2009 – September 30th, 2010)

	2010/11 EUR	2009/10 TEUR
1. Other operating income:		
a) Other	145.34	0
2. Other operating expenses:		
a) Taxes	-810.47	-1
b) Other	-233,846.28	-219
	-234,656.75	-220
3. Total 1 and 2 (Operating result)	-234,511.41	-220
4. Investment income	3,837,860.13	6,535
thereof from affiliated companies EUR 0.00; (previous year: TEUR 0)		
5. Other interest and similar income	30,544.08	19
thereof from affiliated companies EUR 30,236.65; (previous year: TEUR 19)		
6. Interest and similar expenses	-1,016.52	0
thereof from affiliated companies EUR 1,016.52; (previous year: TEUR 0)		
7. Total 4 to 6 (Financial result)	3,867,387.69	6,554
8. Pre-tax profit	3,632,876.28	6,334
9. Taxes on income	-3,500.00	-4
10. Income for the year	3,629,376.28	6,330
11. Allocation/reversal of retained earnings	-180,000.00	120
12. Profit carry-forward	1,393.59	1
13. Net profit	3,450,769.87	6,451

Acquisition cost Sep. 30 th , 2011	Value adjustments Sep. 30 th , 2011	Net book value Sep. 30 th , 2011	Net book value Sep. 30 th , 2010	Depreciation 2010/11
54,504,625.63	0.00	54,504,625.63	54,504,625.63	0.00
15,713,177.85	0.00	15,713,177.85	15,713,177.85	0.00
1,107,477.32	0.00	1,107,477.32	1,107,477.32	0.00
71,325,280.80	0.00	71,325,280.80	71,325,280.80	0.00
71,325,280.80	0.00	71,325,280.80	71,325,280.80	0.00
71,325,280.80	0.00	71,325,280.80	71,325,280.80	0.00

Notes

General remarks

General accounting principles

The financial statements were prepared in accordance with GAAP as well as the general principle of presenting a true and fair view of the Company's asset, financial, and income situations. In preparing the financial statements, the principle of completeness was observed. Individual valuation and going-concern principles were applied in valuing individual assets and liabilities. The principle of conservatism was taken into account by showing only those profits which had been realized as of the balance-sheet date. All potential risks and impending losses were duly recognised. The Company is a Group company under § 15 AktG (Austrian Corporation Act), and as an affiliated company belongs to the reporting entity of EVN AG, Maria Enzersdorf, pursuant to § 244 UGB (Austrian Commercial Code).

Pursuant to § 221 para 3 UGB, Burgenland Holding AG is deemed a large stock company.

Fixed assets

The financial assets were valued at acquisition cost.

Trade and other receivables

Trade and other receivables were valued at face value. Foreign exchange receivables were valued at the lower of exchange rate on the date they accrued or exchange rate on the balance-sheet date. In case individual risks were recognised, the lower value was entered.

Provisions

In accordance with the principle of conservatism, the provisions contain all risks recognised at the time of preparing the balance sheet as well as all contingent liabilities at those amounts which are required under due diligence.

Liabilities

Liabilities were valued at the amount to be repaid.

Notes to the balance sheet

Fixed assets

Development

The development of the individual items under fixed assets and the breakdown of annual depreciation by individual items are shown in the fixed asset schedule as an attachment to the notes.

Investments

Name and registered office	Total stake (in %)	Equity (acc. to § 224 (3) UGB) (TEUR)	Net income/ Net loss (TEUR)	As of
BEWAG (Registered office: Eisenstadt)	49.00	160,514.2	-11,484.8	Sep. 30 th , 2010
BEGAS (Registered office: Eisenstadt)	49.00	80,268.2	9,843.1	Sep. 30 th , 2010
CEESEG AG (Registered office: Vienna)	0.99	301,789.2	30,054.8	Dec. 31 st , 2010

Trade and other receivables

Breakdown (Figures for previous year in parentheses) TEUR	according to balance sheet	those with remaining maturity of > 1 year	those evidenced by b/e	Lump-sum adjustment
Receivables from affiliated companies	2,265.0 (5,095.0)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Other receivables and assets	38.4 (19.5)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Total – current year	2,303.4	0.0	0.0	0.0
Total – previous year	(5,114.5)	(0.0)	(0.0)	(0.0)

The receivables from affiliated companies cover exclusively clearing accounts of money at call.

Other receivables and assets are composed of deductible investment income tax as well as VAT credits vis-à-vis the tax authorities.

The accruals amounting to EUR 1,721.67 (previous year: TEUR 1.7) are made up exclusively of other deferred charges.

Mandatory disclosure for public limited companies

The Company's share capital was reorganized following a resolution of the 10th Annual General Meeting on July 7th, 1999, and now amounts to EUR 21.81m, broken down into 3 million individual bearer shares.

Notes to the income statement

Other provisions are composed as follows:

Item	TEUR	As of Sep. 30 th , 2011	As of Sep. 30 th , 2010
Supervisory board reimbursement		8.7	6.0
Audit and legal counsel		6.4	6.4
Provisions for outstanding receivables		0.0	1.1

LIABILITIES

Breakdown (Figures for previous year in parentheses) TEUR	according to balance sheet	those with remaining maturity of <1 year	Those with remaining maturity of >1 year
Trade accounts payable	1.4 (0.1)	1.4 (0.1)	0.0 (0.0)
Payables due to affiliated companies	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Total – current year	1.4	1.4	0.0
Total – previous year	(0.1)	(0.1)	(0.0)

Notes to the income statement

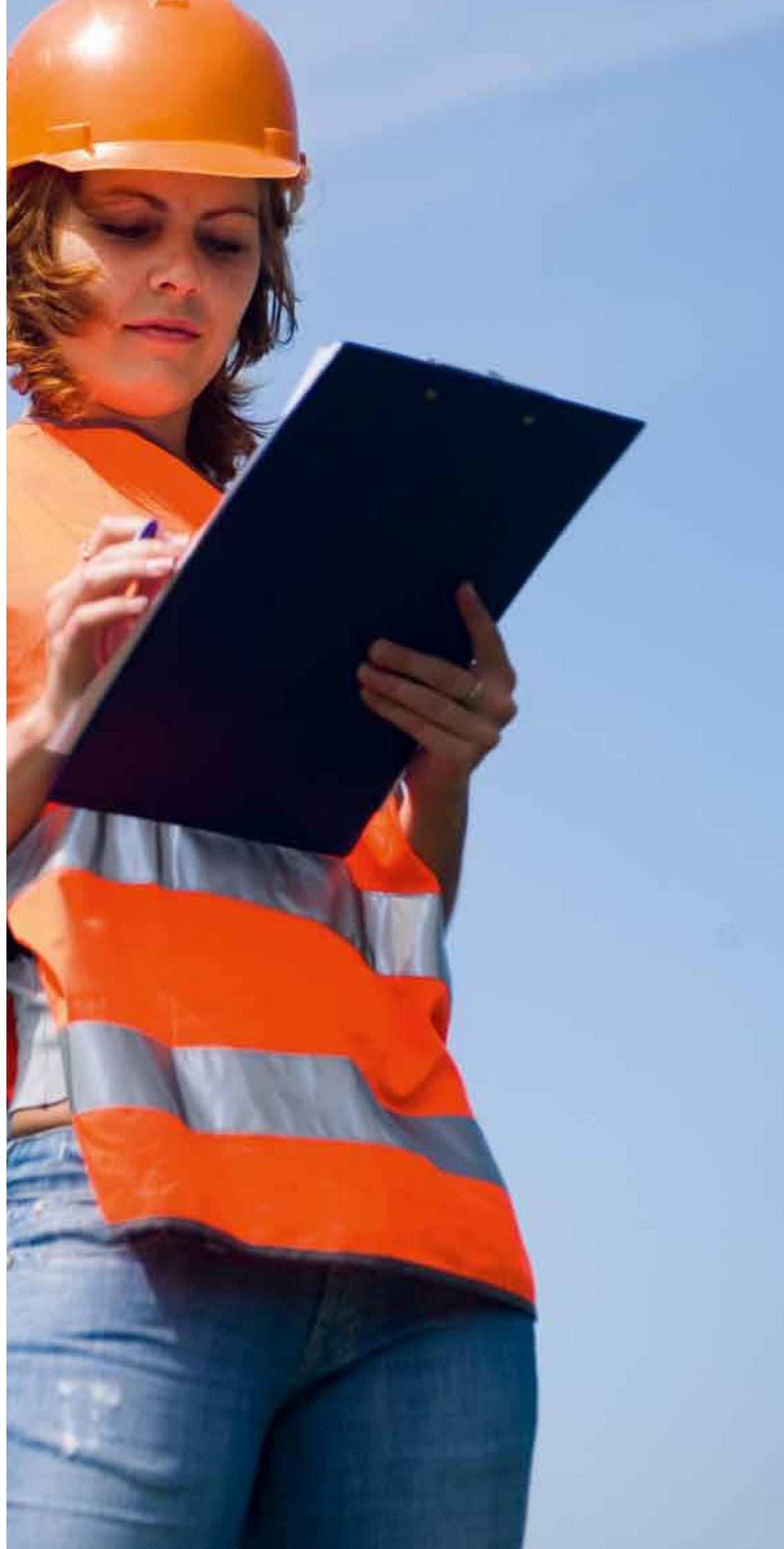
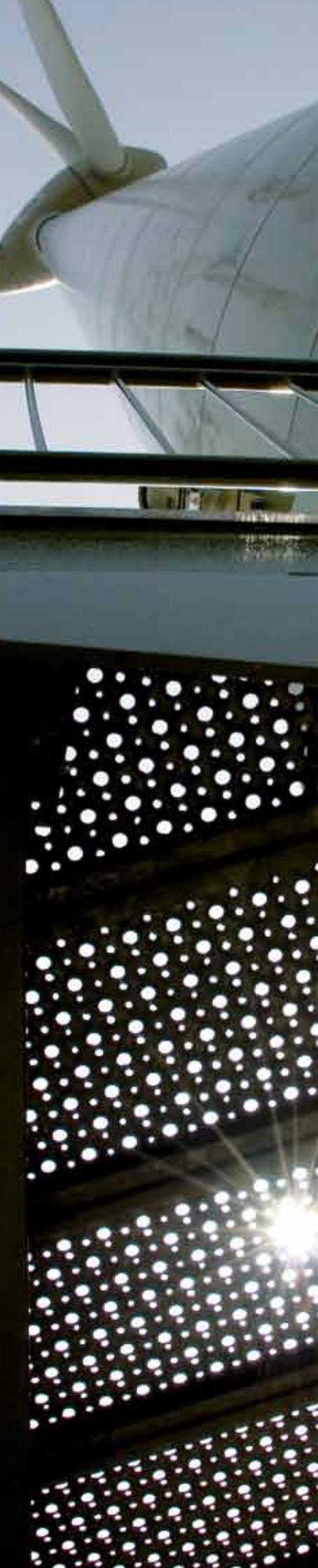
The income statement was prepared in accordance with the total expenditure format.

Investment income

Income investment comprises dividend payouts of BEWAG for the financial year 2009/10 in the amount of EUR 2,697,296.73 (previous year: TEUR 5,394.6) and of BEGAS for the 2009/10 business year in the amount of EUR 1,094,588.40 (previous year: TEUR 1,094.6). CEESEG AG paid a dividend of EUR 45,975.00 for the financial year 2010 (previous year: TEUR 46.0).

Taxes on income

The item "Income taxes" shows the minimum corporation tax of EUR 3,500.00 (previous year: TEUR 3.5).



Other information

Corporate bodies and employees

In the business year under review, the following persons were members of the Management Board:

Günther Ofner (until Sep. 4th, 2011)
Klaus Kohlhuber (since Sep. 5th, 2011)
Nikolaus Sauer

Expenses for the members of the Management Board amounted to EUR 4,360.40 (previous year: TEUR 4.4).

In the business year under review, the following persons were members of the Supervisory Board:

Stefan Szyszkowitz (Chairman, since Mar. 11th, 2011)
Leopold Buchmayer (Chairman, until Dec. 31st, 2010)
Peter Layr (Vice Chairman)
Michael Amerer
Robert Dick (since Mar. 11th, 2011)
Burkhard Hofer (until Mar. 11th, 2011)
Josef Kaltenbacher
Helmut Miksits
Werner Perz
Felix Sawerthal
Gerold Stagl

The members of the Supervisory Board received compensation in the amount of TEUR 10.9 (previous year: TEUR 14.1). The Company does not have any employees.

No advances or loans were granted to the members of the Management Board and the Supervisory Board in the reporting period.

Other remarks

The Company is a Group company under § 15 AktG (Austrian Corporation Act), and as an affiliated company belongs to the reporting entity of EVN AG, Maria Enzersdorf, pursuant to § 244 UGB (Austrian Commercial Code).

The consolidated financial statements of the parent company (FN72000h) have been filed with the district court in Wiener Neustadt.

With regard to the expenditure due to the auditor in the reporting period, the safeguard clause pursuant to § 237 (14) UGB (Austrian Commercial Code) is invoked based on the integration in the consolidated financial statements of EVN AG, Maria Enzersdorf.

Eisenstadt, November 24th, 2011

The Management Board



Klaus Kohlhuber
Member of the
Management Board



Nikolaus Sauer
Member of the
Management Board



Auditor's report

Report on the financial statements

We have audited the enclosed Annual Financial Statements of Burgenland Holding Aktiengesellschaft, Eisenstadt, for the business year from October 1st, 2010, to September 30th, 2010, including accounting procedures. The present financial statements comprise the balance sheet as of September 30th, 2011, the income statement for the business year ending on September 30th, 2011, as well as the notes.

Responsibility of the duly authorised representatives for the financial statements and accounting

Preparation and content of these financial statements are the responsibility of the duly authorised representatives of the company; the financial statements, in compliance with legal regulations applying to companies in Austria, present as true and fair a view of the company's assets, liabilities, financial position, and profit or loss as possible. This responsibility includes: Design, implementation and maintenance of an internal review system to the extent this is relevant for the preparation of the financial statements and the conveyance of as true and fair a view of the company's assets, liabilities, financial position, and income situation as possible to ensure that the financial statements are free of material misrepresentations, whether intended or unintended; the selection and application of appropriate accounting and valuation methods; making estimates that seem appropriate under the given circumstances

Responsibility of the auditor and description of nature and scope of legally mandated audit

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with applicable Austrian law and generally accepted auditing standards. Those standards require that we comply with ethical industry standards and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes the conduct of audit activities to obtain evidence regarding the amounts and disclosures in the financial statements. The selection of audit activities is subject to the proper discretion of the auditor taking into account his or her assessment of the risk of occurrence of material misrepresentations, whether intended or unintended. In carrying out such risk assessment, the auditor takes into account the internal review system to the extent this is relevant for the preparation of the financial statements and the conveyance of as true and fair a view of the company's assets, liabilities, financial position, and income situation as possible to ensure that the financial statements are free of

material misrepresentations, so as to determine appropriate auditing activities under the given circumstances, but not in order to offer an opinion on the effectiveness of the company's internal review mechanisms. The audit further includes assessing the appropriateness of the accounting and valuation principles used and the significant estimates made by the duly authorised representatives, as well as evaluating the overall financial statement presentation.

We believe to have obtained sufficient and appropriate audit evidence and are thus satisfied that our audit represents a sufficiently sound basis for our audit opinion.

Auditor's opinion

Our audit has not resulted in any objections. Based on the findings of the audit, we conclude that the financial statements are in compliance with legal regulations and present a true and fair view of the company's assets, liabilities and financial position as of September 30th, 2011, and of the company's income situation for the business year from October 1st, 2010, to September 30th, 2011, in conformity with generally accepted accounting principles.

Statements on the Management Report

Due to legal regulations, the Management Report has to be examined as to whether it is in line with the financial statements and whether the other information in the Management Report does not convey a wrong impression of the situation of the company. The auditor's opinion also has to include a statement as to whether the Management Report is in line with the financial statements and whether the disclosures pursuant to § 243a UGB (Austrian Commercial Code) are appropriate.

In our assessment, the Management Report is consistent with the financial statements. The disclosures pursuant to § 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, November 24th, 2011

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Walter Reiffenstuhl
Auditor

ppa MMag. Angelika Vogler
Auditor



Report of the Supervisory Board

The Supervisory Board has fulfilled all relevant obligations by law and under the Company's By-Laws.

The Management Board provided continuous information on the state of affairs and the company's economic situation. The financial statements including the relevant notes and the Management Report – insofar as it refers to the financial statements – were audited KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, which provided a written report of the audit and conferred its unqualified opinion.

The Supervisory Board has approved the financial statements including the relevant notes, the Management Report as well as the Corporate Governance Report presented by the Management Board, and has agreed to the Management Board's recommendation concerning the application of profits. Therefore, the financial statements as of September 30th, 2011, are deemed completed pursuant to § 96 (4) Corporation Act.

In conclusion, the Supervisory Board would like to express its gratefulness to the Management Board for its efforts in the financial year 2010/11.

Eisenstadt, December 12th, 2011

On behalf of the Supervisory Board



The Chairman
Stefan Szyszkowitz

The Burgenland Holding AG share

The international capital markets were characterised by high volatility and sharp price declines in the reporting period. In the first two quarters of the 2010/11 business year, the markets benefited from stability in the economy. In the third and fourth quarters of the 2010/11 business year, however, the insecurity in the markets due to the sovereign debt crisis in Europe and the nuclear catastrophe in Japan led to massive losses. In the reporting period, the German DAX index lost 11.7%, while the Dow Jones Euro Stoxx Utilities, the industry index relevant for Burgenland Holding AG, dropped 19.2%. Losing 23.4%, Vienna's leading ATX index performed even worse. The Dow Jones, by contrast, managed to basically hold on to last year's level.

The Burgenland Holding AG share was unable to escape the developments in the international capital markets and recorded a decline of 20% compared to the previous year. The share stood at EUR 32.02 as of September 30th, 2011, which corresponds to a market capitalisation of EUR 96m. Its weighting in the Vienna Stock Exchange Index (WBI) was 0.14% as of September 30th, 2011.

Total shareholder return, including annual dividends, since the initial quotation in May 1990 amounts to 5.63% per year. The Management Board will recommend to the Annual General Meeting the distribution of a dividend of EUR 1.15 per share for the financial year 2010/11.

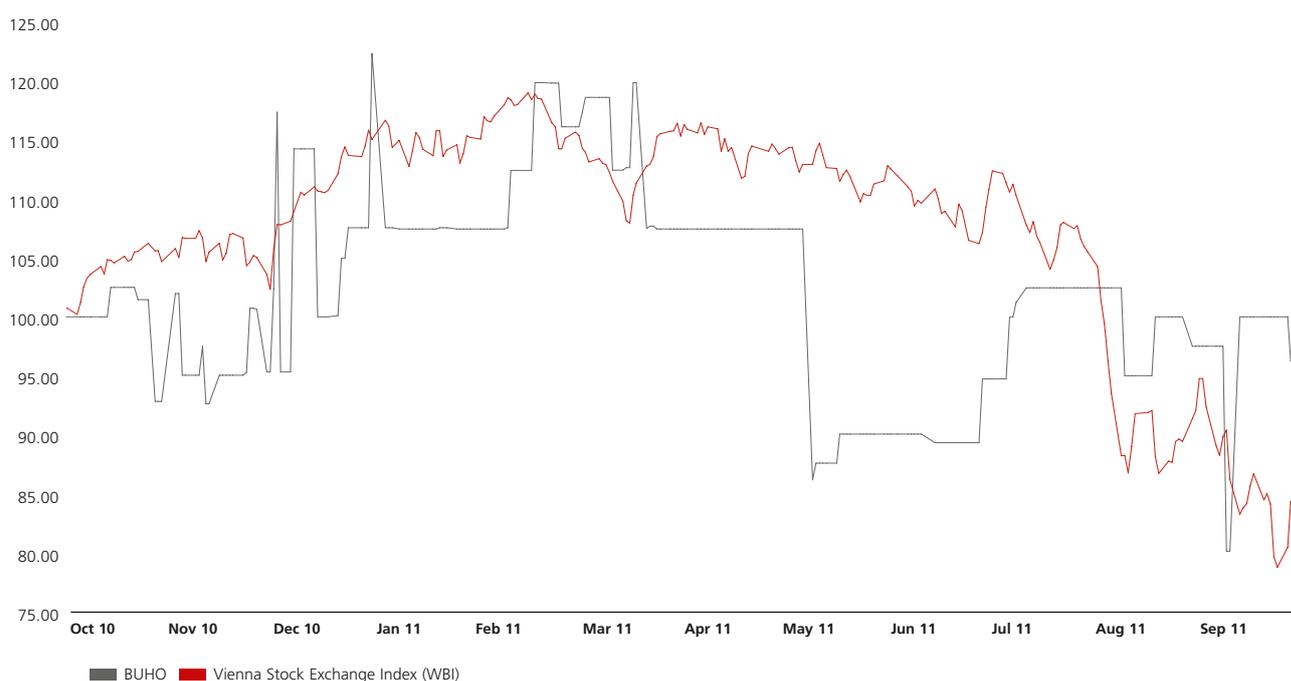
Investor information

Stock performance		2010/11	2009/10	2008/09
Average daily volume	Number	18	14	19
Total share volume	EUR m	0.19	0.14	0.19
Highest price	EUR	49.00	55.00	53.99
Lowest price	EUR	32.00	34.40	33.50
Share price at the end of September	EUR	32.02	40.01	37.00
Market capitalisation at the end of September	EUR m	96	120	111
WBI weighting at the end of September	%	0.14	0.15	0.14
Dividend per share	EUR	1.15 ¹⁾	2.15	2.15

¹⁾ Proposal to the Annual General Meeting

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

On the basis of September 2010



Burgenland Holding AG

Group structure

BEWAG Investments as of September 30th, 2011

49 % BURGENLÄNDISCHE ELEKTRIZITÄTSWIRTSCHAFT AG (BEWAG)

100 %	BEWAG Netz GmbH	99 %	BWP – Bystrický Wind Power s.r.o. (Bratislava, Slovakia)
100 %	BEWAG Energievertrieb GmbH & Co KG	99 %	Energowind RO s.r.l. (Bistrita Nasaud, Romania)
100 %	BEWAG Wärme & Service GmbH	50 %	IWBF – Internationale Windparkbeteiligungs- und Finanzierungs GmbH (Eisenstadt, Austria)
7 %	ENERGIEALLIANZ Austria GmbH	76 %	VENTUS POLSKA Sp.z o.o. (Warschau, Poland)
7 %	e&t Energie Handelsgesellschaft m.b.H.	50 %	SWP s.r.o. (Bratislava, Slovakia)
100 %	Austrian Wind Power GmbH	50 %	PSW – Polska Sila Wiatru Sp. z o.o. (Warschau, Poland)
	51 % RENERWIND – Renerwind Energetikai Kft. (Budapest, Hungary)	50 %	CEMP d.o.o. (Zagreb, Croatia)
	55.2 % EPZ Energieprojekt Zurndorf GmbH	50 %	WSW – Warminska Sila Wiatru Sp. z o.o. (Warschau, Poland)
	50 % PAMA-GOLS Windkraftanlagenbetriebs GmbH	25 %	TWP – Torremaggiore Wind Power s.r.l. (Mailand, Italy)
	50 % PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG	100 %	Austrian Biomass Power GmbH
	40 % MMW Potzneusiedl GmbH	50 %	Biomassekraftwerk Betriebs GmbH
100 %	International Wind Power GmbH	50 %	Best Energy GmbH
	100 % Pannon Szél-erő Szolgáltató Kft. (Budapest, Hungary)	100 %	BEWAG Geoservice GmbH
	100 % WIBE – Windpark Beteiligungs GmbH (Eisenstadt, Austria)	100 %	PEW Technik + Service GmbH
	1 % BWP – Bystrický Wind Power s.r.o. (Bratislava, Slovakia)	33.33 %	EBRZ Erstes Burgenländisches Rechenzentrum GmbH
	1 % Energowind RO s.r.l. (Bistrita Nasaud, Romania)	2.52 %	APCS Power Clearing and Settlement AG
	100 % Energowind Negresti s.r.l. (Bistrita Nasaud, Romania)	1.26 %	CISMO Clearing Integrated Services and Market Operations GmbH
		4.57 %	Vereinigte Telekom Österreich Beteiligungs GmbH
		100 %	BEWAG Konzernclearing GmbH
		100 %	BKF Das Burgenland Fernsehen GmbH
		51 %	Eisenstadt e-mobilisiert GmbH

BEGAS Investments as of September 30th, 2011

49 % BEGAS-Energie AG

100 %	IGM – Industrie- und Gewerbepark Mittelburgenland Erwerbs-, Erschließungs- und Errichtungsgesellschaft m.b.H.	100 %	BEGAS Energievertrieb GmbH & Co KG (EUR 36,000)
50 %	Best Energy GmbH	50 %	Biomassekraftwerk Betriebs GmbH
3 %	e&t Energie Handelsgesellschaft m.b.H.	100 %	Biomassekraftwerk Betriebs GmbH & Co KG
3 %	ENERGIEALLIANZ Austria GmbH	2.73 %	EconGas GmbH
49 %	Bioenergie Burgenland Service GesmbH	100 %	RVH Reststoffverwertungs GmbH
100 %	BEGAS – Handel GmbH	100 %	BEGAS Netz GmbH
	100% BEGAS Asset Management GmbH	0.22 %	CISMO Clearing Integrated Services and Market Operations GmbH
		0.44 %	AGCS Gas Clearing and Settlement AG
		1 %	Biomasse-Kraftwerk Güssing GmbH u. Co KG (EUR 74,126.29)
		33.30 %	Windpark Mittelburgenland GmbH



Proposed application of profits

The Management Board proposes the distribution of a dividend in the amount of EUR 1.15 per share, totalling EUR 3,450,000.00, from the net profit amounting to EUR 3,450,769.87 and carrying forward the remainder of EUR 769.87.

Statement of the Management Board on the Annual Financial Report

pursuant to § 82 para (4) fig 3 Stock Market Act

The Management Board of Burgenland Holding AG confirms

that the financial statements drawn up in conformity with the relevant accounting standards present a true and fair view of the Company's assets, liabilities, financial position, and profit or loss;

that the Management Report represents the Company's performance, profit and situation in such a manner as to create a true and fair view of the Company's assets, financial, and income situations, and that the major risks and uncertainties are described.

Eisenstadt, November 24th, 2011

The Management Board



Klaus Kohlhuber
Member of the
Management Board



Nikolaus Sauer
Member of the
Management Board

Burgenland Holding AG

Corporate calendar 2011/12¹⁾

Results Q1 2011/12	February 9 th , 2012
Annual General Meeting	March 23 rd , 2012
Ex-dividend day	March 30 th , 2012
Dividend payment	April 6 th , 2012
Results HY1 2011/12	May 31 st , 2012
Results Q1–3 2011/12	August 9 th , 2012
Annual results 2011/12	December 13 th , 2012

¹⁾ Preliminary

Basic information¹⁾

Share capital	EUR 21.81m
Denomination	3 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

¹⁾ As of September 30th, 2011

Imprint

Burgenland Holding AG

Technologiezentrum
Marktstraße 3
A-7000 Eisenstadt
Austria

Investor Relations

Doris Lohwasser
Telefon: +43 2236 200-24186
Fax: +43 2236 200-2030
investor.relations@buho.at
www.buho.at

Type and print: Grasl Druck & Neue Medien, 2540 Bad Vöslau
Design and concept: Scholdan & Company, 1010 Vienna

