

Semi-Annual Financial Report 2010/11

October 1, 2010 – March 31, 2011

Semi-Annual Financial Report 2010/11

Contents

Corporate profile	3
Burgenland Holding AG – First six months of 2010/2011 Abridged financial statements	4
Appendix	5
Semi-Annual Management Report	5
The Burgenland Holding Share	6
BEWAG 1 st quarter 2010/11	7
BEGAS 1 st quarter 2010/11	8
Statement of the Management Board on the Semi-Annual Financial Report	9

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 73.63 % of the share capital stock of Burgenland Holding AG, while WIEN ENERGIE GmbH holds between 5% and 10%. VERBUND 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. The share capital of BEGAS Energie AG, in which Burgenland Holding AG continues to hold a 49% stake, amounts to EUR7.44m. The remaining 51% of the shares are held by BEGAS-Gemeindeanteilsverwaltung AG (GAV). The shareholders in GAV are exclusively the municipalities in the Burgenland supplied with natural gas.

Highlights - First six months of 2010/11

Key events

- BEGAS dividend at last year's level
- BEWAG payout at half of last year's level
- financial performance continues to be weak due to low interest rates

Key figures

Burgenland Holding AG		2010/11	2009/10	Change
		First six months		%
Balance sheet total	EUR m	75.1	76.5 ¹⁾	-1.7
Shareholders' Equity	EUR m	73.7	76.4 ¹⁾	-3.6
Result for the period	EUR m	3.7	6.4 ²⁾	-42.2

¹⁾ as of September 30, 2010

²⁾ first six months of 2009/10

Burgenland Holding AG first six months of 2010/11

General Remarks

The interim financial statements for the period from October 1, 2010 to March 31, 2011 were prepared with regard to Generally Accepted Austrian Accounting Principles.

The Semi-Annual Report as of March 31, 2011 was not subject to a full audit nor a review by an auditor.

Income situation

Due to the recently subdued performance of the associated company BEWAG, the decision was made to reduce the dividend to 50% of last year's level. For Burgenland Holding AG, this corresponds to a decrease in investment income by about EUR2.7m compared to the previous year. Investment income from BEGAS remained unchanged from last year. As a result of the investment of liquid funds, the Company received interest income of TEUR17.5 in the first six months of 2010/11.

Balance sheet and capital structure

On March 11, 2011, the 22nd Annual General Meeting resolved to distribute to shareholders a dividend of TEUR6,450, which corresponds to EUR2.15 per share (previous year: EUR2.15), and to carry forward the remainder of EUR1,393.59.

As of the balance sheet date, the Company's balance sheet total is about TEUR1,305 lower than that of last year. To the extent of TEUR2,697, this change in the balance sheet total can be put down to the reduced BEWAG payout, while a short-term balance sheet extension in connection with the dividend payout of Burgenland Holding AG on the one hand and investment income on the other accounts for TEUR1,392.

Due to the lower investment income and the still low level of interest rates, equity has decreased by about TEUR2,766 compared to last year.

Condensed interim financial statements March 31, 2011

Balance Sheet

in TEUR

	Mar 31, 2011	Sep 30, 2010
ASSETS		
A. Fixed assets		
I. Financial assets		
1. Investments	71,325.3	71,325.3
	71,325.3	71,325.3
B. Current assets		
I. Accounts receivable and other assets		
1. Receivables from affiliated companies	0.0	5,095.0
2. Receivables from associated companies	2,697.3	0.0
3. Other receivables	21.9	19.5
II. Cash at banks		
1. Cash at banks	1,099.4	12.8
	3,818.6	5,127.3
C. Accruals and deferrals		
	5.3	1.7
	75,149.2	76,454.3
EQUITY AND LIABILITIES		
A. Shareholders' Equity		
I. Share capital	21,810.0	21,810.0
II. Capital reserves		
1. Committed reserves	43,676.4	43,676.4
III. Retained earnings		
1. Other reserves (free reserves)	4,502.0	4,502.0
IV. Net profit	3,685.1	6,451.4
	73,673.5	76,439.8
B. Provisions		
1. Tax provisions	0.9	0.9
2. Other provisions	4.3	13.5
	5.2	14.4
C. Liabilities		
1. Trade accounts payable	0.0	0.1
2. Payables to affiliated companies	1,470.5	0.0
	1,470.5	0.1
TOTAL EQUITY AND LIABILITIES	75,149.2	76,454.3

Income Statement

in TEUR

	2010/11 First six months	2009/10 First six months
Other operating income	0.1	0.1
Other operating expenses	-124.6	-115.2
Operating result	-124.5	-115.1
Investment income	3,791.9	6,489.2
Other interest and similar income	17.5	9.2
Interest and similar expenses	-0.3	0.0
Financial result	3,809.1	6,498.4
Pre-tax profit	3,684.6	6,383.3
Taxes on income	-0.9	-0.9
Net result for the year	3,683.7	6,382.4
Change in retained earnings	0.0	0.0
Profit carried forward	1.5	0.1
Net profit	3,685.2	6,382.5

Appendix

Notes to the Balance Sheet

Receivables from companies linked by virtue of a participating interest comprise exclusively receivables from dividend income from Group companies.

Shareholders' equity is TEUR2,766.3 below the corresponding value as of the balance sheet date of September 30, 2010. The reason for this decrease is, above all, the reduction by half of investment income from BEWAG as well as the still low level of interest rates. 'Other provisions' comprises exclusively compensation of Supervisory Board members of Burgenland Holding AG.

'Payables to affiliated companies' are mainly due to short-term financing requirements for the dividend payout to EVN Finanzservice GmbH as well as Group services rendered by EVN AG.

Notes to the Income Statement

The operating result of Burgenland Holding AG after the first half of the 2010/11 business year was slightly below that of the corresponding period last year. On March 30, 2011, BEWAG's AGM resolved to distribute a dividend of TEUR5,504.7 out of the net profit as of September 30, 2010, which corresponds to reduction by half of last year's payout. Of this, an amount of TEUR2,697.3 goes to Burgenland Holding AG. On March 15, 2011, the AGM of BEGAS resolved to distribute a dividend at last year's level of TEUR2,233.9, which corresponds to a payout to Burgenland Holding AG of about TEUR1,094.6.

The other financial result as of the balance sheet date is comprised mainly of interest income from the investment of liquid funds and shows an increase of TEUR8.3 compared to last year due to slightly higher interest rates.

Semi-Annual Management Report

The result of Burgenland Holding AG is influenced mainly by the dividend payouts from the associated companies as well as interest rates and, after the first six months of 2010/11, is significantly lower than last year as a result of the reduced BEWAG payout.

Due to the fact that the dividends from BEGAS and BEWAG have already been received, no major changes in the result are to be expected for the second six months. Likewise, the stable earnings structure of Burgenland Holding AG renders significant risks and uncertainties in the second half of the year unlikely.

The Wiener Börse AG (now CEESEG AG), in which the Burgenland Holding AG holds 0.99%, recommended for the AGM on 16th of June 2011a payout of dividend of 5.0 EUR per share.

For the future, however, the combination of BEWAG and BEGAS as suggested by the owners should facilitate synergies. The structural reforms of the two companies BEGAS and BEWAG considered in this context should also have a positive impact on their performance and thus the potential dividends of Burgenland Holding AG in the following years.

The Burgenland Holding Share

The global economy continued to recover from the international financial and economic crisis in the reporting period. Compared to the previous quarter, expectations have improved concerning growth in Austria, the European Economic Area as well as SEE countries.

As the situation remains challenging, the central banks kept their interest rates on a low level. An increase in key lending rates for the Eurozone is to be expected no earlier than the end of 2011.

Like in the last quarter, international stock markets were marked by a clear - even if volatile - upward trend in the reporting period.

From October 1, 2010 to March 31, 2011, the German DAX index gained 13.0%, while the Dow Jones, the U.S. benchmark index, rose by 7.3%.

Vienna's benchmark ATX Index also showed a marked increase by 13.4% for this period. The Dow Jones Euro Stoxx Utilities industry index, relevant for the Burgenland Holding share, by contrast, rose by only 6.5%. The share price of Burgenland Holding AG has performed well since the last balance sheet date and stood at EUR43 as of March 31, 2011.

Stock market indicators

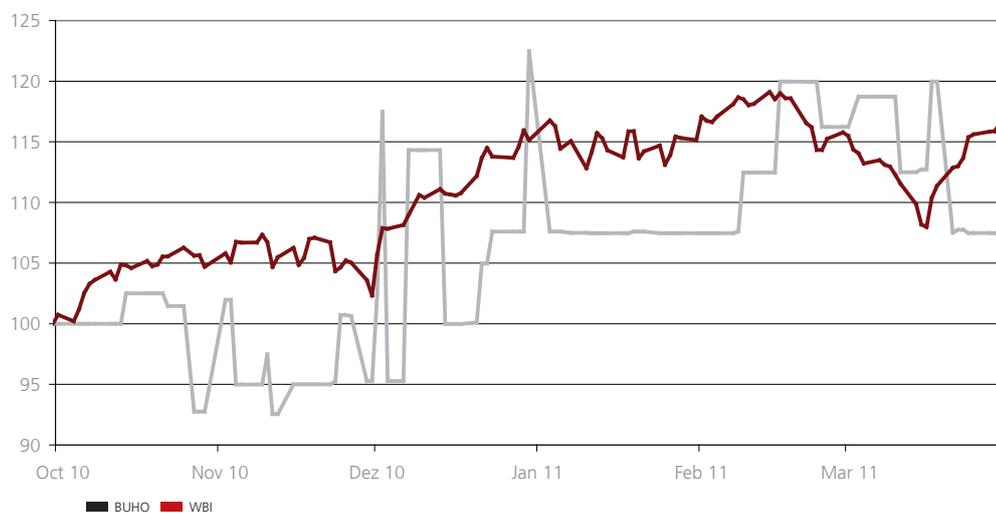
		2010/11	2009/10
		First six months	
Average daily volume	No.	27	16
Total share volume	EUR m	0.14	0.08
Share price high	EUR	49.00	55.00
Share price low	EUR	37.03	40.01
Share price as of the last trading day in March	EUR	43.00	50.00
Market capitalisation as of the last trading day in March	EUR m	129.00	150.00
Share price as of the last trading day in March	%	0.14	0.18

Basic information

Share capital	EUR 21.81m
Denomination	3 mil individual no-par shares
Majority shareholder	EVN AG
ISIN securities identification number	AT0000640552
Ticker Symbols	BHAV.VI (Reuters); BURG AV (Bloomberg); AT;BHD (Dow Jones)
Listed	Vienna

Burgenland Holding

Burgenland Holding/WBI (%)



BEWAG 1st quarter 2010/11

October 1, 2010 – December 31, 2010

The information on performance refers to the interim group accounts of BEWAG's 2010/11 business year as of December 31, 2010. For comparison, we present the figures from the interim group accounts as of December 31, 2009.

The consolidation circle comprises 18 fully consolidated, 3 proportionately consolidated and 2 equity-consolidated companies.

Highlights

- At the meeting of the Supervisory Board on November 8, 2010, employment of the two previous members of the Management Board was terminated by mutual agreement. At the meeting of the Supervisory Board on December 22, 2010, the new members of the Management Board, Michael Gerbavits and Reinhard Schweifer, were appointed as of January 1, 2011.
- Negotiations concerning the sale of BECOM Electronics GmbH including its subsidiaries BECOM Electronics Hungary kft and tough systems GmbH
- Resumption of selling activities concerning B.net Hrvatska d.o.o. and continued selling activities with regard to the foreign subsidiaries of International Wind Power GmbH

BEWAG Group

		2010/11 1 st quarter	2009/10 1 st quarter	Change %
Electricity sales	GWh	360.4	338.5	6.5
Grid sales	GWh	447.0	412.9	8.3
Sales revenues	EUR m	80.5	74.5	8.1
Pre-tax profit	EUR m	1.9	2.7	-29.6
Balance sheet total	EUR m	745.5	824.4	-9.6
Shareholders' Equity ¹⁾	EUR m	179.3	200.8	-10.7
Operating cash flow	EUR m	16.8	14.0	20.0

¹⁾ Equity incl. untaxed reserves

Development of electricity sales in kWh m



Electricity sales and supply

In the first quarter of the 2010/11 business year, BEWAG's electricity supply amounted to 468.6GWh. Electricity sales to final customers by BEWAG Energievertrieb GmbH & Co KG were 360.4GWh, 6.5 % higher than the volume in the corresponding period of the previous year (October 1 – December 31, 2009). This increase in the volume component led to a rise in consolidated sales revenues of BEWAG Energievertriebs GmbH & Co KG by EUR1.1m compared to the same period last year. Compared to the previous business year, grid sales rose 8.3 % to 447.0GWh.

Income situation

The Group's sales revenues amounted to EUR80.5m. The increase compared to last year was due mainly to improved performance at BECOM Electronics GmbH, B.net Hrvatska d.o.o. and BEWAG Energievertrieb GmbH & Co KG whereas proportionate deconsolidation of Biomassekraftwerk Heiligenkreuz Betriebs GmbH actually had a negative impact.

Pre-tax profit amounted to EUR1.9m, which represents a decrease of EUR0.8m from the previous year. This decrease can be explained by still high energy purchase prices.

Balance sheet and capital structure

As of December 31, 2010, the balance sheet total amounted to EUR745.5m. The share of fixed assets (approx. EUR606.7m) in total assets is about 81.4 %. The decrease from last year is mainly the result of a reduction of the provision of securities as collateral in favour of the investors in the US cross-border lease due to the partial termination of the transaction as well as the deconsolidation resulting from the sale of Vetrna Energie HL s.r.o.

Shareholder's equity including untaxed reserves fell to EUR179.3m, resulting in an equity ratio of 24.1 %. Operating cash flow was EUR16.8m.

Outlook

In January 2011, the contract of sale for the shares in BECOM Electronics GmbH was signed. The sale was completed upon closing in March 2011.

As regards the sale of the shares in B.net Hrvatska d.o.o., signing and closing are expected for the third and the fourth quarter of the 2010/11 business year, respectively.

Furthermore, it is assumed that the foreign project companies of International Wind Power GmbH will be sold in the course of this business year.

BEGAS 1st quarter 2010/11

October 1, 2010 – December 31, 2010

Information on the performance refers to the forecasted annual reports of BEGAS Energie AG, BEGAS – Energievertrieb GmbH & Co KG, BEGAS – Netz GmbH, BEGAS Asset GmbH, der IGM – Industrie- u. Gewerbepark Mittelbgld. Erwerbs-, Erschließungs- und Errichtungs- GmbH, Biomassekraftwerk Betriebs GmbH & Co KG and RVH Reststoffverwertungs GmbH consolidated by management (no consolidation under the Commercial Code).

Income situation

The BEGAS Group generated revenues of approximately EUR30.2m in the first quarter of the 2010/11 business year. This increase is the result of the full consolidation of Biomassekraftwerk Betriebs GmbH & Co KG. Pre-tax profit in the first quarter was EUR4.4m. The decrease in pre-tax profit can be explained by an increase in energy purchase prices.

Natural gas sales volume

In total, 67.7 million m³ of natural gas was sold from October to December 2010. The increase compared to the previous year is mainly due to the fact that the first quarter this year saw colder temperatures than last year.

BEGAS Group

		2010/11 1 st quarter	2009/10 1 st quarter	Change %
Total natural gas sales volume grid	m m ³	67.68	59.4	13.9
Revenues	EUR m	30.2	23.0	31.3
Pre-tax profit	EUR m	4.4	6.2	-29.0

Customer Development



Statement of the Management Board on the Half-Year Report

(pursuant to §87 para 1 fig 3 Stock Market Act)

We confirm, to the best of our knowledge, that the abridged interim 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 with regard to important events during the first six months of the business 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, May 20, 2011
Burgenland Holding AG
Management Board



Günther Ofner
Member of the Management Board



Nikolaus Sauer
Member of the Management Board

Financial Calendar 2010/11¹⁾

Result 3rd quarter August 11, 2011
Results for the full year 2010/11 December 15, 2011

¹⁾ preliminary

Burgenland Holding AG

Technologiezentrum
Marktstraße 3
7000 Eisenstadt
Austria

Corporate Communications and Investor Relations

Renate Lackner-Gass, MSc MBA

Phone +43 2236 200-24 186
Fax +43 2236 200-84 703
E-mail investor.relations@buho.at
www.buho.at