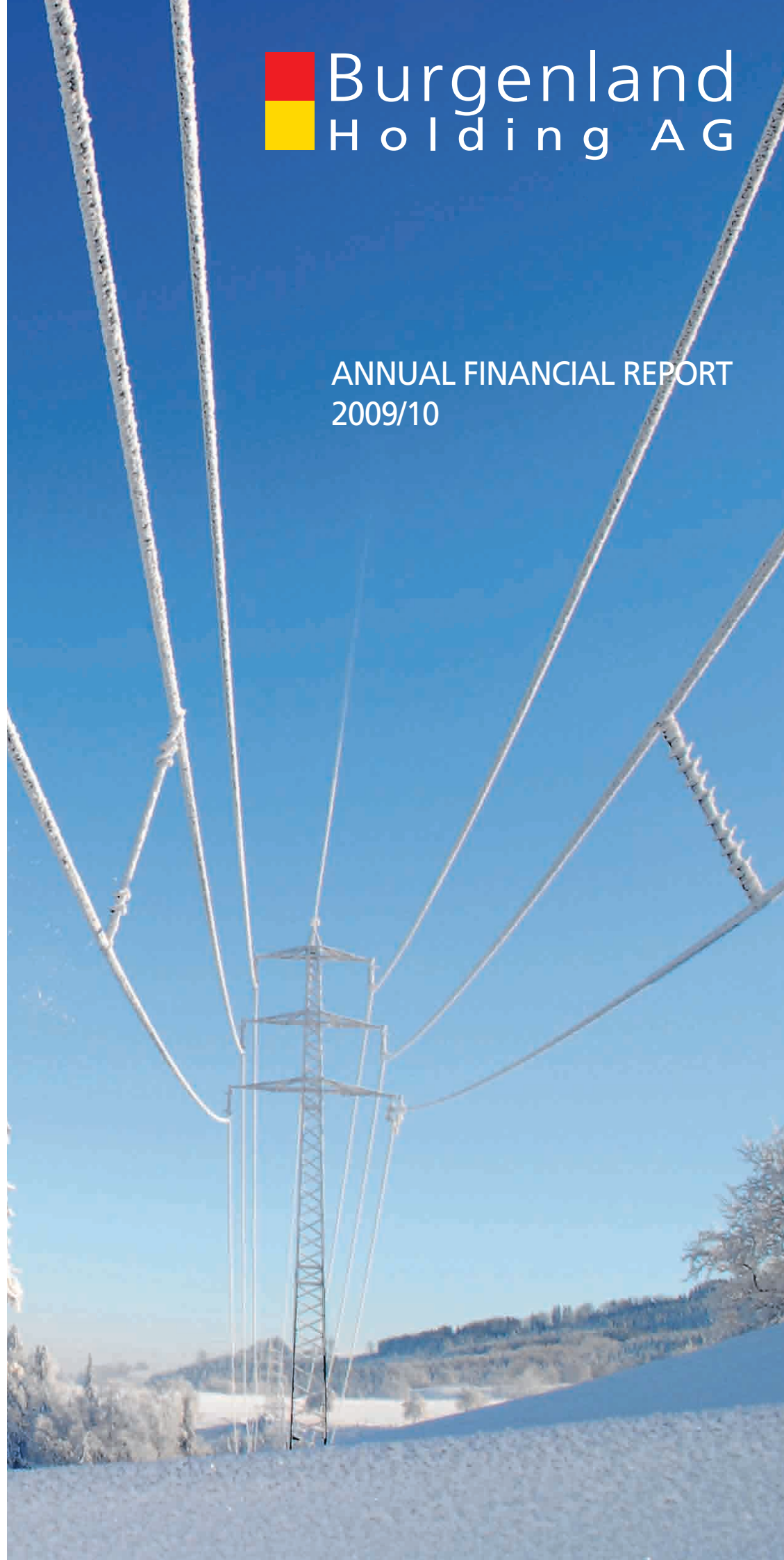


ANNUAL FINANCIAL REPORT
2009/10



KEY FIGURES

BURGENLAND HOLDING AG

		2009/10	2008/09	2007/08
Balance sheet total	EUR m	76.5	76.6	76.6
Equity	EUR m	76.4	76.6	76.6
Investment income	EUR m	6.5	6.5	6.5
Net income	EUR m	6.3	6.4	6.5

BEWAG GROUP

		2009/10 preview	2008/09	2007/08
Electricity sales	GWh	1,254.8	1,246.1	1,329.6
Revenues	EUR m	290.9	274.1	275.1
Pre-tax profit	EUR m	-10.9	-7.5	-3.9
Balance sheet total	EUR m	730.1	839.1	694.6
Shareholders' equity ¹⁾	EUR m	174.8	199.6	221.5

¹⁾ incl. untaxed reserves

BEGAS GROUP

		2009/10 preview	2008/09	2007/08
Natural gas sales volume	m ³ m	196.7	180.9	193.6
Revenues	EUR m	84.1	71.9	67.2
Pre-tax profit	EUR m	8.2	14.1	7.0
Balance sheet total ¹⁾	EUR m	261.8	201.3	204.5
Shareholders' equity ¹⁾	EUR m	138.9	121.7	112.1

¹⁾ incl. untaxed reserves/and construction cost subsidies

ENERGISING THE BURGENLAND

BURGENLAND HOLDING AG

The shares of Burgenland Holding AG (share capital: EUR 21.81m) 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 EUR 34.88m. The remaining 51% of the shares are held by the Province of Burgenland. Burgenland Holding AG also continues to hold a 49% stake in the share capital of BEGAS – BEGAS-Energie AG amounting to EUR 7.44m. The remaining shares are held by BEGAS-Gemeindeanteilsverwaltung AG (GAV). The shareholders in GAV are exclusively the municipalities in the Burgenland supplied with natural gas.

ANNUAL REPORT 2009/10

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BURGENLAND HOLDING AG

GROUP STRUCTURE

BEWAG Investments as of September 30, 2010

49 % BURGENLÄNDISCHE ELEKTRIZITÄTSWIRTSCHAFTS AG (BEWAG)

GF Strom

- 100 % BEWAG Netz GmbH
- 100 % BEWAG Energievertrieb GmbH & Co KG
- 100 % EZH-Energiezentrale Heiligenkreuz Ges.m.b.H.
- 7 % ENERGIEALLIANZ Austria GmbH
- 7 % e&t Energie Handelsgesellschaft m.b.H.

GF Ökoenergie

- 100 % Austrian Wind Power GmbH
 - 61,72 % RENERWIND – Renerwind Energetikai Kft. (Budapest, Ungarn)
 - 55,2 % EPZ Energieprojekt Zurndorf GmbH
 - 50 % PAMA-GOLS Windkraftanlagenbetriebs GmbH
 - 50 % PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG
- 100 % International Wind Power GmbH
 - 100 % Pannon Szél-erő Szolgáltató Kft. (Budapest, Ungarn)
 - 100 % WIBE – Windpark Beteiligungs GmbH (Eisenstadt, Österreich)
 - 1 % BWP – Bystrický Wind Power s.r.o. (Bratislava, Slowakei)
 - 1 % Energowind RO s.r.l. (Bistrita Nasaud, Rumänien)
 - 99 % BWP – Bystrický Wind Power s.r.o. (Bratislava, Slowakei)
 - 99 % Energowind RO s.r.l. (Bistrita Nasaud, Rumänien)
 - 50 % IWBF – Internationale Windparkbeteiligungs- und Finanzierungs GmbH (Eisenstadt, Österreich)

- 76 % VENTUS POLSKA Sp. z o.o. (Warschau, Polen)
- 50 % SWP s.r.o. (Bratislava, Slowakei)
- 50 % PSW – Polska Sila Wiatru Sp. z o.o. (Warschau, Polen)
- 50 % CEMP d.o.o. (Zagreb, Kroatien)
- 50 % WSW – Warminska Sila Wiatru Sp. z o.o. (Warschau, Polen)
- 38 % NSW – Nasza Sila Wiatru Sp. z o.o. (Warschau, Polen)
- 25 % TWP – Torremaggiore Wind Power s.r.l. (Mailand, Italien)

- 100 % Austrian Biomass Power GmbH

- 50 % Biomassekraftwerk Betriebs GmbH
- 50 % Best Energy GmbH

GF Services

- 100 % BEWAG Geoservice GmbH
- 100 % PEW Technik + Service GmbH
- 33,33 % EBRZ Erstes Burgenländisches Rechenzentrum GmbH
- 2,52 % APCS Power Clearing and Settlement AG
- 1,26 % CISMO Clearing Integrated Services and Market Operations GmbH

GF Telekom

- 100 % B.net Hrvatska d.o.o. (Zagreb, Kroatien)
- 100 % NA KUB d.o.o. (Zagreb, Kroatien)
- 100 % NA KVADRAT d.o.o. (Zagreb, Kroatien)
- 4,57 % Vereinigte Telekom Österreich Beteiligungs GmbH

GF Electronic Manufacturing

- 100 % BECOM Electronics GmbH
- 100 % BECOM Electronics Hungary Kft. (Tatabánya, Ungarn)
- 60 % tough systems GmbH

Konzernclearing, BKF

- 100 % BEWAG Konzernclearing GmbH
- 100 % BKF Das Burgenland Fernsehen GmbH

BEGAS Investments as of September 30, 2010

49 % BEGAS-Energie AG

- 100% IGM – Industrie- und Gewerbepark Mittelburgenland Erwerbs-, Erschließungs- und Errichtungsgesellschaft m.b.H.
- 1% AUSTRIA FERNGAS Gesellschaft m.b.H. in Liqu.
- 50% Best Energy GmbH
 - 3% e&t Energie Handelsgesellschaft m.b.H.
 - 3% ENERGIEALLIANZ Austria GmbH
- 49% Bioenergie Burgenland Service GesmbH
- 100% BEGAS – Handel GmbH

- 100% BEGAS Asset Management GmbH
- 100% BEGAS Energievertrieb GmbH & Co KG (EUR 36.000)
- 50% Biomassekraftwerk Betriebs GmbH
- 100% Biomassekraftwerk Betriebs GmbH & Co KG
- 2,73% EconGas GmbH
- 100% RVH Reststoffverwertungs GmbH
- 100% BEGAS Netz 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)

FOREWORD OF THE MANAGEMENT BOARD

POSITIVE DEVELOPMENT

Dear Sir or Madam, dear shareholders,

Thanks to comparatively lower temperatures than last year, with temperature-based demand 6.0% above the long-term average, as well as an increase in the number of customers, the associated companies of Burgenland Holding AG performed well with regard to sales of electricity and gas in the past business year. Both companies distributed dividends to their shareholders at unchanged levels. Thus, the Management Board of Burgenland Holding AG can recommend to the AGM an unchanged dividend of EUR 2.15 per share for the 2009/10 business year.

Against the background of falling sales prices for gas and declining electricity and gas grid rates in the course of the rationalisation requirements, there is continued noticeable pressure on profit development.

BEWAG's corporate strategy provides for the disposal of investments outside the core business, especially abroad, in order to focus on the areas of electricity sales, electricity grid operations and electricity production. Above all, the expansion of electricity generation from wind power in Burgenland is to be intensified massively.

In the light of the challenges in the energy markets, BEWAG and BEGAS are faced with the task to adapt to the competitive situation as best they can and to align their business portfolios with the requirements. More than anything else, the integration in EnergieAllianz, in which BEWAG and BEGAS hold 7% and 3%, respectively, offers a sound foundation for a successful future.



Nikolaus Sauer

Günther Ofner

Günther Ofner
Member of the
Management Board

Nikolaus Sauer
Member of the
Management Board

CORPORATE GOVERNANCE REPORT (acc. UBG § 243b)

CORPORATE BODIES



Management Board

Günther Ofner

Born in 1956, Doctor iuris; lecturer at the University of Vienna since 1986; member of the Management Board of BEWAG, Chairman of the Management Board of UTA Telekom AG; member of the Management Board of BURGENLAND HOLDING AG and Managing Director of UTILITAS Dienstleistungs- und Beteiligungsgesellschaft m.b.H. since March 2005.

Initial appointment: June 29, 1994

End of current term: December 13, 2014

Serves on two supervisory boards of other domestic companies pursuant to C-Regulation 16 of the Austrian Code of Corporate Governance.

Nikolaus Sauer

Born in 1969, Magister iuris; following a position in the personnel and logistics section of the Federal Chancellery, 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 WLW GmbH since 2008.

Initial appointment: February 25, 2008

End of current term: February 24, 2013

No supervisory board mandates or comparable functions pursuant to C-Regulation 16 of the Austrian Code of Corporate Governance.

Members of the Supervisory Board

Name (Year of Birth)	Appointment	Other functions	Independence Regulation 53
Leopold Buchmayer (1947) Chairman	1994	Former Deputy Managing Director Raiffeisenlandesbank Burgenland	no
Peter Layr (1953) Vice Chairman	1998	Member of the Management Board of EVN AG	yes
Michael Amerer (1963)	2005	Member of the Management Board of VERBUND-Austrian Hydro Power AG	yes
Burkhard Hofer (1944)	2005	Managing Director EVN AG Member of the Supervisory Board of Flughafen Wien Aktiengesellschaft und VERBUND AG	yes
Josef Kaltenbacher (1951)	2004	Branch Manager BAWAG Eisenstadt	yes
Helmut Miksits (1947)	2010	Member of the Management Board of Wiener Stadtwerke Holding AG Member of the Supervisory Board of TEERAG-ASDAG Aktiengesellschaft	yes
Werner Perz (1950)	2002	Managing Director EnergieAllianz Austria GmbH	yes
Felix Sawerthal (1954)	1996	Head of Secretariat General and Corporate Affairs, EVN AG	yes
Gerold Stagl (1960)	2002	Provincial Director Wiener Städtische Versicherung AG	yes

The term of the Members of the Supervisory Board elected by the AGM ends upon conclusion of the AGM 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 Code of Corporate Governance 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 Code of Corporate Governance

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 Code of Corporate Governance, 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 fulfil 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 Code of Corporate Governance as of October 1, 2006. The Code as amended as of January 2009 has been binding on BURGENLAND HOLDING AG since October 1, 2009.

The standards of the Austrian Code of Corporate Governance 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. Non-compliance with C-regulations (Comply-or-Explain) has to be justified publicly. BURGENLAND HOLDING AG lays down such deviations in detail at www.buho.at/Corporate.html and provides an overview below. 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 Code of Corporate Governance; furthermore, there are only isolated deviations from R-Regulations.

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 Code of Corporate Governance:

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, 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.

Regulation 41: The Company is subject to the mandatory provisions of the Staffing Act.

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.



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 Code of Corporate Governance.

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 30, 2009, the Supervisory Board of BURGENLAND HOLDING AG comprises a total of 9 members elected by the AGM. Upon expiry of the term of all members of the Supervisory Board, all 9 positions were elected at the 21st Annual General Meeting on March 15, 2010. 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 Code of Corporate Governance 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 Code of Corporate Governance.

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, which each 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 2009/10 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 1, 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 AGM proposals for the filling of seats becoming vacant (Regulation 42 Austrian Code of Corporate Governance).
- 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 Buchmayer (Chairman), Hofer and 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 2009/10 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 thirteen thousand euros. 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 AGM

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 AGM 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 AGM for approval. The voting results as well as the agenda for the 21st Annual General Meeting of BURGENLAND HOLDING AG on March 15, 2010 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 2009/10 business year.

MANAGEMENT REPORT

THE COMPANY'S ENVIRONMENT

European energy policy

In December 2008, the European Parliament passed the Climate and Energy Package. This means that the threefold goals to be reached by 2020 – a reduction of end energy consumption and greenhouse gas emissions (CO₂) by 20% as well as the expansion of energy supply from renewable resources to 20% of energy consumption – have become legally binding and must be transformed into national law by the member states.

Under the Climate and Energy Package, which takes into account national potential, Austria is obliged to increase its share of renewable resources in end energy consumption from 25.8% in 2005 to 34.0% by 2020 and, during the same time, to reduce its greenhouse gas emissions in sectors that are not subject to emission trading by at least 16% compared to emissions in 2005. Furthermore, energy efficiency is to be increased by 20% by 2020.

Contrary to expectations, the UN Climate Conference in December 2009 failed to achieve its stated goal of agreeing on a follow-up treaty with specific emission reduction targets to the Kyoto Protocol, which expires at the end of 2012. The final document, which is not binding legally, contains as a minimum consensus – for the first time – the specific target of limiting global warming to less than 2 degrees centigrade compared to pre-industrialisation levels. There was no agreement either on specific goals for the reduction of greenhouse gases or on a specific timeline. Industrialised nations are to report their respective reduction targets for the period up to 2020 by the end of January, with developing countries to report their planned measures with regard to CO₂ reduction every two years. In order to support developing countries, an amount of USD30 billion annually was pledged between 2010 and 2012 and USD100 billion from 2020 onward.

Energy policy in Austria

In order to achieve the 20/20/20 Climate Goals of the European Union, preparatory work was started on “Energy Strategy Austria” in mid-2009, and final results were presented in March 2010. “Energy Strategy Austria” rests on three pillars: increase in energy efficiency, expansion of renewable energy resources and safeguarding the security of energy supply. The biggest savings potential was found in connection with building renovation. An energy efficiency package should be drawn up and implemented for business including, for example, the introduction of energy management systems and operational energy concepts. The expansion of renewable energy should include intensified use of biomass for heat generation. With regard to renewable electricity, hydropower is to be expanded by 12.6 petajoules by the year 2015, with wind power to be doubled by 2020 (plus 10PJ) and the use of building-integrated photovoltaics to be intensified. The three goals must contribute to the stabilisation of end energy consumption in the year 2020 on 2005 levels (1,100 PJ).

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 6.04%) and the introduction of investment incentives during the regulation period.

Economic environment and energy industry

The global economy is recovering from the severe economic crisis in 2009 faster than was anticipated even at the beginning of this year. Following unexpectedly strong growth in the first two quarters of 2010, the forecasts were revised upwards, and the global economy is now on course to grow 4.8% in 2010. However, the gaps between industrialising and industrialised countries remain pronounced. For emerging economies, a strong growth rate of more than 7.0% is expected, while the "rich" countries are predicted to grow by only 2.7%.

Europe's economy also picked up markedly in the second quarter of 2010. GDP growth rose from 0.4% in the first quarter to about 1.0% in Q2, with the German economy showing a particularly dynamic development. Its GDP increased 2.2%, compared to 0.5% in the first quarter, making Germany – according to experts – the growth engine for the entire Eurozone. Southern Europe showed relatively moderate growth at 1.0%. For 2010, the Eurozone's GDP is expected to grow by 1.7% (previous year: -4.2%), with the forecast for Central and Eastern Europe assuming a growth rate of 1.6% (previous year: -3.1%).

In step with the international development, Austria's economy was marked by sharp expansion in the second quarter of 2010, with GDP increasing by 1.2% compared to the previous quarter. For 2010, Austria's GDP is forecast to grow 1.8% (previous year: -3.9%), with the corresponding figure for 2011 to go up to as much as 2.0%.

After consumption had been on the decline since October 2008, this trend was reversed in December 2009. According to preliminary data of E-Control, an increase in consumption by 4.3% or 1.4TWh was registered the first six months of 2010. What is noticeable in this development is that sales in the public grid rose by no more than 2.5% in the first half of 2010. Both, the very sharp increase in industry's own electricity generation and the increase in electricity supply are results of the economic development. For households, by contrast, no change or only a slight rise in electricity consumption can be assumed for the first half of 2010. Total domestic consumption of electricity for the first six months of 2010 amounted to 34.1 TWh, ie 1.4 TWh or 4.3% above the corresponding figure for the previous year. Thus, domestic electricity consumption had almost climbed back up to the level of about 34.6 TWh which had been reached in the first half of 2008.

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

In the 2009/10 business year, the colder weather in Austria compared to the previous year had a positive impact. The temperature-based demand for energy in the home market was 6.0% above the long-term average.

Owing to the positive development of the leading economic indicators since the last quarter of 2009, the price of Brent North Sea Oil, which is considered the reference value for Europe, rose by 33.5% in terms of euros in the 2009/10 business year. By contrast, the purchasing price of gas, which is pegged to the price of crude oil, dropped 12.9%. This development can be explained above all by the still high inventory levels of gas and coal as well as the growing range of supply of renewable energies. The price of CO₂ emission certificates declined moderately by 1.9%. The spot market prices for base load recovered slightly in the fourth quarter of the 2009/10 business year, but were still 10.6% below last year's levels. The spot market prices for peak load electricity were 15.2% lower than last year. The respective forward prices of electricity were 26.6% and 27.3% below last year's levels.

The prices on the forward market proved to be decisive factors in the performance of the associated companies BEWAG and BEGAS. The electricity prices for deliveries in the 2009/10 business year were at a lower level already at the time of conclusion of the contracts in early fall 2009, which is why market price effects had a time-delayed positive impact on performance. In the gas sector, declining prices of primary energy made it possible to pass on the resulting benefits to final customers again.

BURGENLAND HOLDING AG

OCTOBER 1, 2009 – SEPTEMBER 30, 2010

HIGHLIGHTS

- Dividend income slightly above last year's level
- Recommendation to the AGM: dividend payout of EUR 2.15/share

Favourable income situation thanks to associated companies

The performance of Burgenland Holding is determined mainly by the dividends of the two associated companies BEWAG and BEGAS. In the 2009/10 business year, Burgenland Holding received investment income amounting to EUR 6.54 m (2008/09: EUR 6.49 m), which was composed of the BEWAG dividend of EUR 5.4 m and the BEGAS distribution in the amount of EUR 1.09 m, both for the 2008/09 business year. Furthermore, Burgenland Holding AG received a dividend of EUR 0.05 m from CEESEG AG (formerly: Wiener Börse AG), in which it holds 0.99%.

Due to the fact that interest rates dropped again markedly compared to the previous year, Burgenland Holding AG – in spite of a basically unchanged investment volume – has suffered a noticeable reduction in investment income. All in all, Burgenland Holding received interest and similar income in the amount of EUR 0.02 m (prev.yr.: EUR 0.11 m).

Burgenland Holding AG does not engage in operations itself and employs no personnel. Research and development activities are not carried out within the company but in its associated enterprises.

Based on the net profit for 2009/10, a dividend in the amount of EUR 2.15 per share, totalling EUR 6.45 m, is to be distributed to the shareholders.

Stable balance sheet and capital structure

Burgenland Holding's sound capital structure remained basically unchanged compared to the 2008/09 business year. The balance sheet total stands at EUR 76.5 m, thus slightly below the previous year. As of September 30, 2010, the equity ratio remains unchanged at 99.9%.

The Company's share capital was reorganised following a resolution of the Tenth Annual General Meeting on July 7, 1999, and now amounts to EUR 21.81 m, broken down into 3 million individual bearer shares. The shares of Burgenland Holding Aktie are listed in the "standard market auction" segment of the Vienna Stock Exchange. EVN AG holds 73.63 % of the shares of Burgenland Holding AG. VERBUND AG (formerly: Österreichische Elektrizitätswirtschafts-AG – VERBUND) holds more than 10% of the shares, while WIEN ENERGIE 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

		2009/10	2008/09	+/- %
Pre-tax profit	EUR m	6.3	6.4	-0.9
Investment income	EUR m	6.5	6.5	-
Net income	EUR m	6.3	6.4	-0.9
Balance sheet total	EUR m	76.5	76.6	-0.2
Fixed assets	EUR m	71.3	71.3	-
Current assets, prepaid expenses and deferred charges	EUR m	5.1	5.3	-2.4
Equity	EUR m	76.4	76.6	-0.2
Debt capital	EUR m	0.0	0.0	-

THE 2009/10 BUSINESS YEAR

INCOME RATIOS

		2009/10 in TEUR	2008/09 in TEUR	+/- in TEUR	+/- %
EBIT	Pre-tax profit + interest and similar expenses pursuant to § 231 (2) Z 15 UGB	6,334	6,391	-57	-0.9

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 past 2009/10 business year.

		2009/10	2008/09	+/-	+/- %
Return on capital					
Return on equity	Pre-tax profit / average shareholders' equity	8.3 %	8.3 %	-	-
Return on assets	EBIT / Pre-tax profit / average total assets	8.3 %	8.3 %	-	-

BALANCE SHEET AND FINANCIAL RATIOS

		2009/10 in TEUR	2008/09 in TEUR	+/- in TEUR	+/- %
Working capital	Current assets – Long-term current assets = short-term current assets – short-term debt capital = Working capital	5,114	5,232	-119	-2.3
Equity ratio	Eigenkapital / Gesamtkapital	99.9 %	99.9 %	-	-

Burgenland Holding AG does not show any liabilities vis-à-vis credit institutions either as of September 30, 2010, or in the corresponding period. The working capital decreased due to lower investments in the Group (cash pooling) in connection with the low interest income. Like last year, net gearing (net debt/shareholders' equity) amounts to 0.00%.

CASH FLOW STATEMENT

		2009/10 in TEUR	2008/09 in TEUR	+/- in TEUR	+/- %
Net operating cash flow		6,358	6,403	-45	-0,7
Net investment cash flow		-	-873	873	-100
Net financing cash flow		-6,450	-6,450	-	-
Change in cash and cash equivalents affecting cash flow		-92	-920	828	-

(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 6.3 m, it was possible to achieve an operating cash flow of EUR 6.4 m. The high net income was determined mostly by the distributions of the associated companies.

20 YEARS OF BURGENLAND HOLDING SHARE AT THE VIENNA STOCK EXCHANGE

May 14, 1990 saw the initial quotation of the Burgenland Holding share at the Vienna Stock Exchange. At the time, Burgenland Holding was the only listed company from Burgenland. The offering price was 3,300 schillings per share, which (following a 1:10 stock split) corresponds to about EUR 24. After peaking at more than EUR 70 in the time in between, the share price stood at EUR 43 on May 14, 2010.

From its IPO in 1990 to the beginning of May 2010, the Burgenland Holding share yielded an annual return of 6.7% including dividends. In total, the share rose 176.5% over the past 20 years taking into account dividend payments. Furthermore, more than 72 million euros in dividends has been distributed to shareholders since the IPO.

The economic basis of Burgenland Holding AG was formed by the contribution of 49% of BEWAG's shares and 51% of BEGAS's shares by the Province of Burgenland. In the following years, the proceeds from the sale of the shares were used by the Province of Burgenland to finance economic development, business establishments and to realise essential infrastructure projects and were thus the basis of the improvement of the province's economic structure and the creation of many new jobs.

The Burgenland Holding share performed well in the reporting period and closed at EUR40.01 as of the end of September 2010. This corresponds to an increase of 8.14% in the past business year and a market capitalisation of EUR 120 m. Its weighting in the WBI was 0.15% as of September 30, 2010.

INVESTOR INFORMATION

Performance		2009/10	2008/09	2007/08
Average daily volume	No.	14	19	37
Total share volume	EUR m	0.14	0.19	0.61
Share price high	EUR	55.00	53.99	72.00
Share price low	EUR	34.40	33.50	52.90
Share price as of the last trading day in September	EUR	40.01	37.00	52.90
Market capitalisation as of the last trading day in September	EUR m	120	111	159
Weighting in the WBI index as of the last trading day in September	%	0.15	0.14	0.19
Dividend/share	EUR	2.15	2.15	2.15

BASIC INFORMATION

Share capital, denomination	EUR 21.81 m, 3 m 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

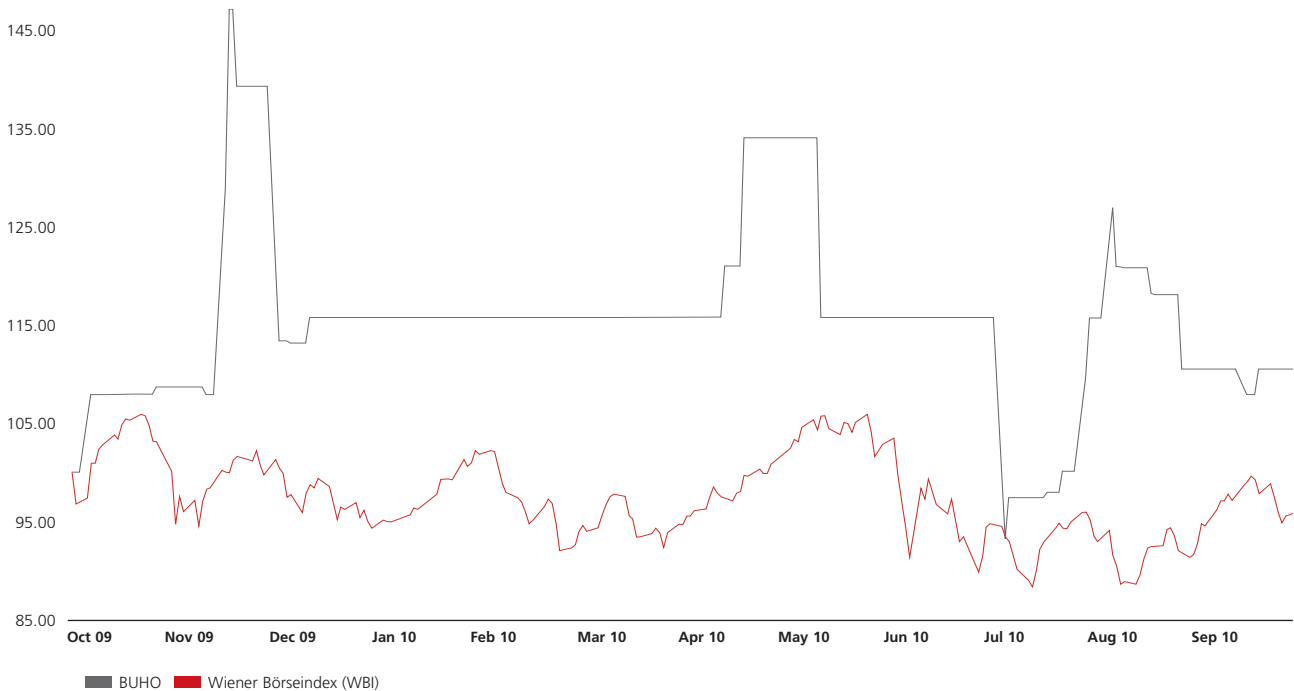
CORPORATE CALENDAR 2010/11¹⁾

Results 1st quarter	February 10, 2011
AGM	March 11, 2011
Ex-dividend date	March 18, 2011
Dividend payout	March 25, 2011
Results first six months	May 26, 2011
Results 3rd quarter	August 11, 2011
Results for the full year 2010/11	December 15, 2011

¹⁾preliminary

SHARE PRICE BURGENLAND HOLDING/WBI (%)

On the basis of September 2009



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

Like last year, there were no R&D activities at Burgenland Holding AG.

Outlook

We are expecting a virtually unchanged dividend payout of the Company for the upcoming business year.



FINANCIAL STATEMENTS 2009/10

BALANCE SHEET AS OF SEPTEMBER 30, 2010

(COMPARISON WITH LAST YEAR AS OF SEPTEMBER 30, 2009)

AKTIVA

	Sep 30, 2010 EUR	Sep 30, 2009 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	5,095,000.00	5,193
2. Other receivables	19,462.46	51
	5,114,462.46	5,244
II. Cash at banks		
Cash at banks	12,781.46	7
	5,127,243.92	5,251
C. Deferred expenses and accrued income	1,721.65	1
	76,454,246.37	76,577

PASSIVA

	30.09.2010 EUR	30.09.2009 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)	4,502,000.00	4,622
IV. Net profit	6,451,393.59	6,451
thereof profit carried forward	731.19	5
	76,439,766.92	76,559
B. Provisions		
I. Tax provisions	875.00	1
II. Other provisions	13,499.15	17
	14,374.15	18
C. Liabilities		
I. Trade accounts payable	69.60	0
II. Liabilities to affiliated companies	35.70	0
	105.30	0
	76,454,246.37	76,577

DEVELOPMENT OF FIXED ASSETS

FIXED ASSET SCHEDULE

EUR	Acquisition cost Oct 1, 2009	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 (formerly Wr.Börse 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
Fixed assets - total	71,325,280.80	0.00	0.00	0.00

INCOME STATEMENT

OCTOBER 1, 2009 TO SEPTEMBER 30, 2010

(PERIOD OF COMPARISON: OCTOBER 1, 2008 TO SEPTEMBER 30, 2009)

	2009/10 EUR	2008/09 TEUR
1. Other operating income:		
a) Other	76.48	0
2. Other operating expenses:		
a) Taxes	-527.57	0
b) Other	-219,861.68	-212
	-220,389.25	-212
3. Total 1 and 2 (operating result)	-220,312.77	-212
4. Investment income	6,535,156.86	6,489
From affiliated companies EUR 0.00; (prev.yr. TEUR 0)		
5. Other interest and similar income	19,363.86	114
From affiliated companies EUR 18,736.73; (prev.yr. TEUR 114)		
6. Interest and similar expenses	-45.55	0
Thereof from affiliated companies EUR 45.55; (prev.yr. TEUR 0)		
7. Total 4 to 6 (financial result)	6,554,475.17	6,603
8. Pre-tax profit	6,334,162.40	6,391
9. Taxes on income	-3,500.00	-3
10. Income for the year	6,330,662.40	6,388
11. Reversal of retained earnings	120,000.00	58
12. Profit carry-forward	731.19	5
13. Net profit	6,451,393.59	6,451

Acquisition cost Sep 30, 2010	Value adjustments Sep 30, 2010	Net book value Sep 30, 2010	Net book value Sep 30, 2010	Depreciation 2009/10
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 recognized. 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.

Receivables and other assets

Receivables and other assets 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 recognized, the lower value was entered.

Provisions

In accordance with the principle of conservatism, the provisions contain all risks recognized 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 %	Shareholders' equity (under § 224 (3) UGB) TEUR	Net income TEUR	As of
BEWAG RO: Eisenstadt	49.00	182,692.1	379.0	Sep 30, 2009
BEGAS RO: Eisenstadt	49.00	92,826.0	18.126.2	Sep 30, 2009
CEESEG AG (bisher: Wiener Börse AG) RO: Wien	0.99	276,389.6	101.872.3	Dec 31, 2009

RECEIVABLES AND OTHER ASSETS

Breakdown (Figures for previous year in parentheses)	According to balance sheet TEUR	Those with remaining maturity of >1yr TEUR	Those evidenced by b/e TEUR	Lump-sum adjustment TEUR
Receivables from affiliated companies	5,095.0 (5,193.0)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Other receivables and assets	19.5 (50.7)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Current year - total	5,114.5	0.0	0.0	0.0
Previous year - total	(5,243.7)	(0.0)	(0.0)	(0.0)

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

The accruals amounting to EUR 1,721.65 (prev.yr. TEUR 1.6) 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 Tenth Annual General Meeting on July 7, 1999, and now amounts to EUR 21.81m, broken down into 3 million individual bearer shares.

Provisions

Other provisions are composed as follows:

Item	As of Sep 30, 2010 TEUR	As of Sep 30, 2009 TEUR
Supervisory board reimbursement	6.0	8.3
Audit and legal counsel	6.4	5.8
Provisions for outstanding receivables	1.1	3.2

LIABILITIES

Breakdown (Figures for previous year in parentheses)	According to balance sheet TEUR	Those with remaining maturity of <1yr TEUR	Those with remaining maturity of <1yr TEUR
Trade accounts payable	0.1 (0.2)	0.1 (0.2)	0.0 (0.0)
Payables due to affiliated companies	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Current year - total	0.1	0.1	0.0
Previous year - total	(0.2)	(0.2)	(0.0)

NOTES TO THE INCOME STATEMENT

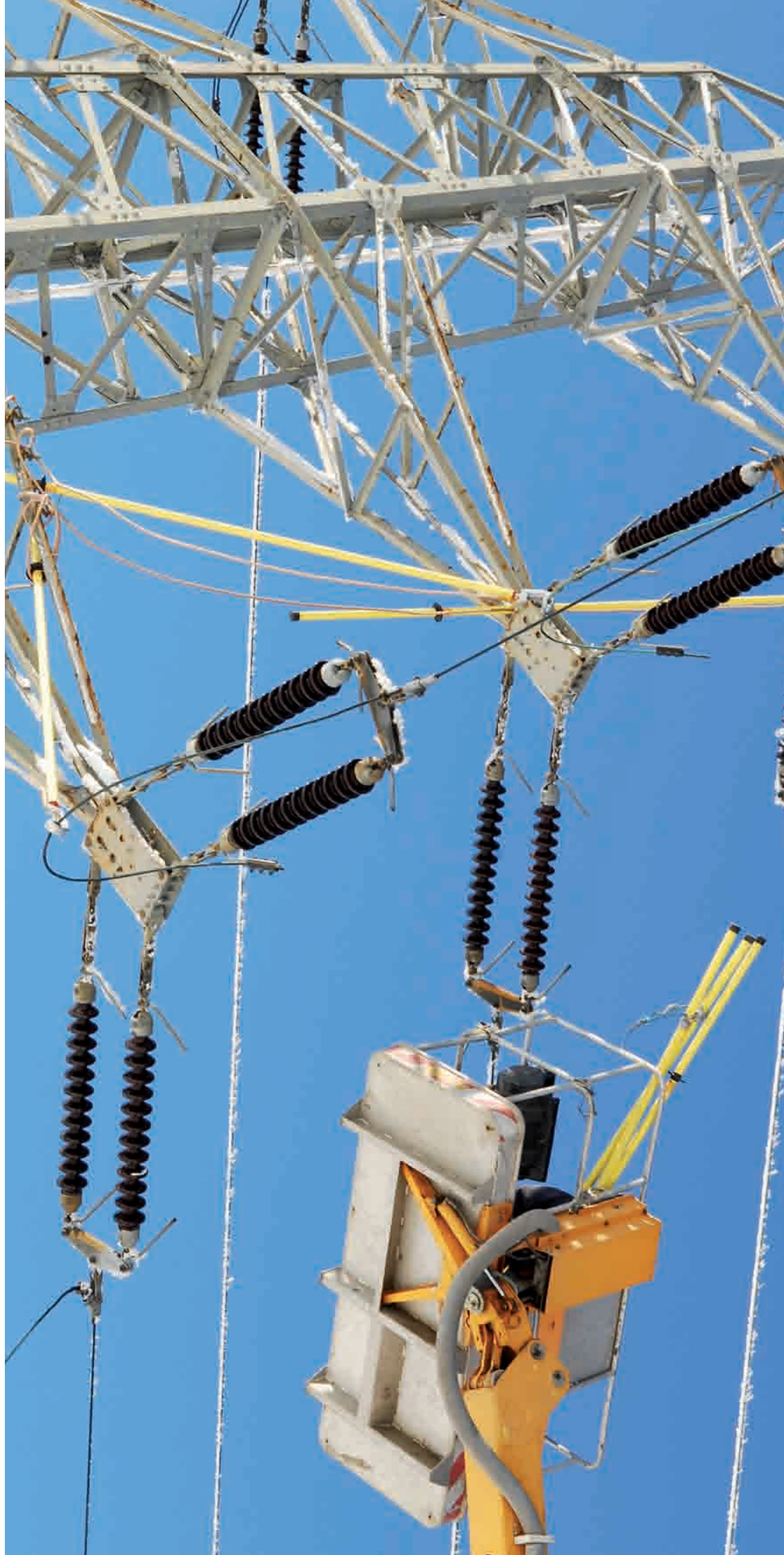
The income statement was prepared in accordance with the total expenditure format.

Investment income

Income investment comprises dividend payouts of BEWAG for the 2008/09 business year in the amount of EUR 5,394,593.46 (previous year: TEUR 5,394.6) and of BEGAS for the 2008/09 business year in the amount of EUR 1,094,588.40 (py: TEUR 1,094.6). CEESED AG (formerly Wiener Börse AG) paid a dividend of EUR 45,975.00 (py: TEUR0.0) for the 2009 business year.

Taxes on income

The item "Income taxes" shows the minimum corporation tax of EUR 3,500.00 (prev. yr: 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, Eisenstadt (re-appointed on December 14, 2009)
Nikolaus Sauer, Neufeld an der Leitha

Expenses for the members of the management board amounted to EUR 4,360.4 for the reporting period (prev.yr.: TEUR 3.9).

In the business year under review, the following persons were members of the supervisory board:

Leopold Buchmayer (Chairman)
Peter Layr (Vice Chairman)
Michael Amerer
Burkhard Hofer
Josef Kaltenbacher
Michael Obentraut (until March 15, 2010)
Helmut Miksits (from March 15, 2010)
Werner Perz
Felix Sawerthal
Gerold Stagl

The members of the supervisory board received compensation in the amount of TEUR 14.1 (prev.yr.: TEUR 13.3). The Company does not have 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 section 14 UGB (Austrian Commercial Code) is invoked based on the integration in the consolidated financial statements of EVN AG, Maria Enzersdorf.

Eisenstadt, November 15, 2010

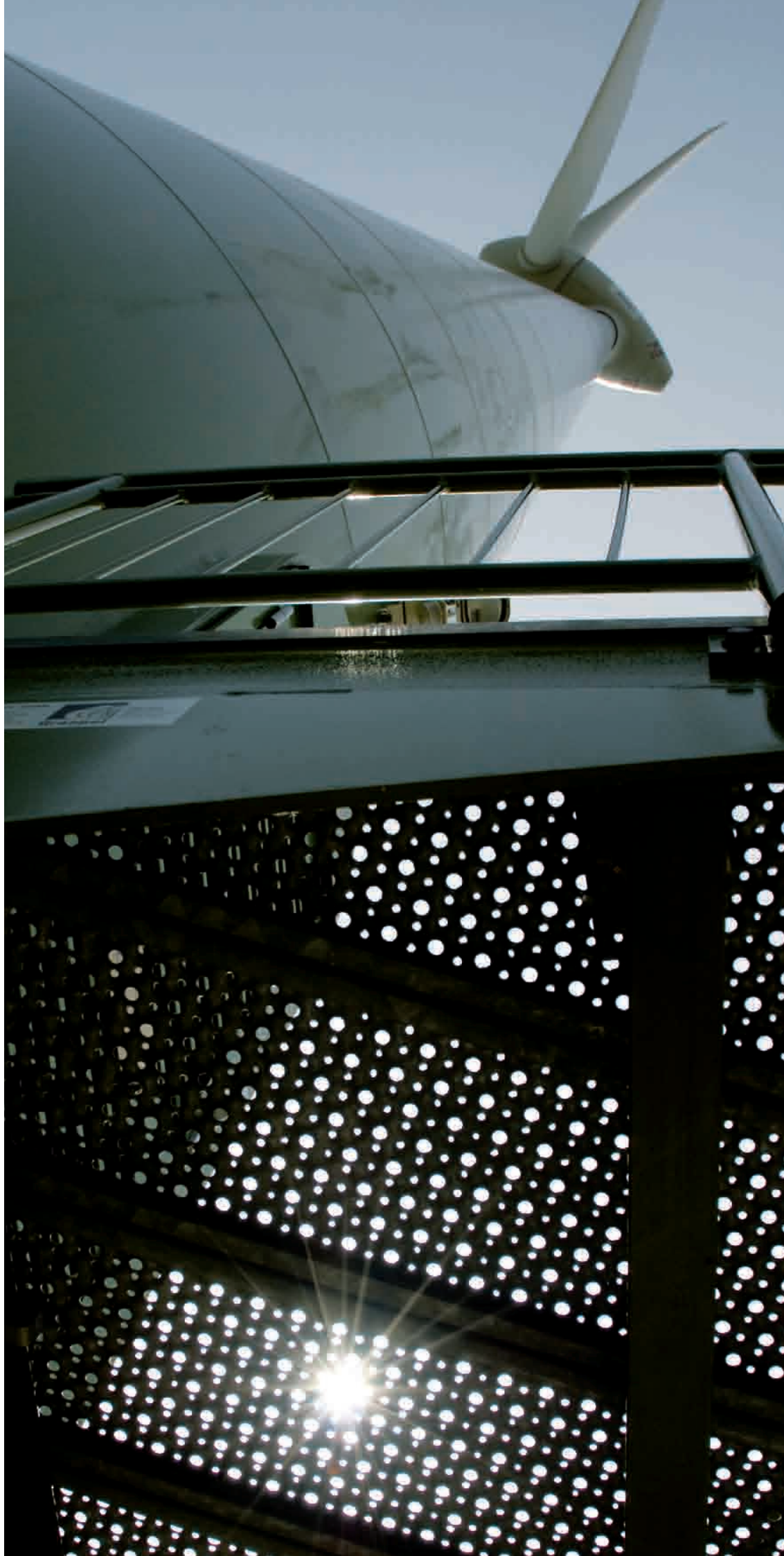
Management Board



Günther Ofner, mp



Nikolaus Sauer, mp



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 were audited by KPMG Burgenland Wirtschaftstreuhand Gesellschaft mbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, which provided a written report of the audit and conferred its unqualified opinion.

The Supervisory Board has approved the financial statements and relevant notes 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 30, 2010, are deemed completed pursuant to §125 para 2 Corporation Act (AktG).

In conclusion, the Supervisory Board would like to express its gratefulness to the Management Board for its efforts in the 2009/10 business year.

Eisenstadt, December 13, 2010

On behalf of the supervisory board

The Chairman
Leopold Buchmayer m.p.





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 1, 2009, to September 30, 2010, including accounting procedures. The present financial statements comprise the balance sheet as of September 30, 2010, the income statement for the business year ending on September 30, 2010, 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 in-

cludes 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 30, 2010, and of the company's income situation for the business year from October 1, 2009, to September 30, 2010, 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.

In our assessment, the Management Report is consistent with the Financial Statements.

Vienna, November 15, 2010

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Rainer Hassler
ppa MMag. Angelika Vogler
Auditor



PROPOSED APPLICATION OF PROFITS

The management board proposes the distribution of a dividend of EUR 2.15 per share, totalling EUR 6,450,000.00, from the net profit amounting to EUR EUR 6,451,393.59 and carrying forward the remainder of EUR 1.393.59.

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 asset, financial, and income situations, and that the major risks and uncertainties are described.

Eisenstadt, December 13, 2010
Burgenland Holding AG

Management Board



Günther Ofner
Member of the
Management Board



Nikolaus Sauer
Member of the
Management Board

IMPRINT

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