



 **Burgenland**
Holding AG

Annual Financial Report 2006/07
pursuant to § 82 sec. 4 (3) of the
Austria Stock Exchange Act

Highlights 2006/07

Key events

- Investment income of BEWAG and BEGAS at last year's levels – slight increase by Wiener Börse AG
- Recommendation to the AGM: dividend payout of EUR1.9/share

Key figures

Burgenland Holding AG		2006/07	2005/06	Changes +/- %
Investment income	m EUR	6.1	6.0	0.4
Net income	m EUR	6.0	5.9	1.3
Dividend/share	EUR	1.90 ¹⁾	1.9	–
Balance sheet total	m EUR	75.9	75.6	0.4
Shareholders' equity	m EUR	75.8	75.4	0.5

¹⁾ Proposal to the AGM

Key Figures

Burgenland Holding AG

		2006/07	2005/06	2004/05	2003/04
Balance sheet total	m EUR	75.9	75.6	72.7	72.5
Shareholders' equity	m EUR	75.8	75.4	72.5	72.4
Investment income	m EUR	6.1	6.0	3.3	3.3
Net income	m EUR	6.0	5.9	3.2	3.2

BEWAG Group

		2006/07 Forecast	2005/06	2004/05	2003/04
Total electricity sales	GWh	1,172.9	1,217.7	1,203.4	1,302.6
Revenues	m EUR	240.9	216.3	210.7	194.6
Pre-tax profit	m EUR	25.0	31.6	32.1	36.9
Total assets	m EUR	705.7	604.5	594.2	576.7
Shareholders' equity 1) ¹⁾	m EUR	236.9	229.5	219.8	201.2

¹⁾ incl. untaxed reserves

BEGAS Group

		2006/07 ¹⁾	2005/06	2004/05	2003/04
Natural gas sales volume	m m ³	160.5	198.4	194.2	192.9
Revenues	m EUR	54.1	63.0	54.4	54.7
Pre-tax profit	m EUR	7.4	10.0	9.9	14.6
Balance sheet total ³⁾	m EUR	226.3	219.4	206.6	196.5
Shareholders' equity ²⁾³⁾	m EUR	125.9	121.3	112.6	94.8

¹⁾ Forecasted unaudited consolidated figures

²⁾ incl. untaxed reserves/and construction cost subsidies

³⁾ Balance sheet total and shareholders' equity pursuant to IFRS as from the 2004/05 business year

The Burgenland Holding Share – Basic information

Share capital, denomination	EUR 21,81m, 3m individual no-par shares
Majority shareholder	EVN AG
ISIN securities identification number	AT 0000640552
Ticker Symbols	BHAV.VI (Reuters) • BHD AV (Bloomberg) • AT:BHD (Dow Jones)
Listed	Vienna



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October 1, 2006 – September 30, 2007

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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 72.27 % of the share capital stock of Burgenland Holding AG, while Verbund Austrian Hydro Power AG holds more than 10% and Wiener Stadtwerke AG Holding AG holds between 5% and 10%. 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 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.

Foreword of the Management Board

Very favourable development

Dear Sir or Madam, dear shareholders,

In spite of a significant decline in energy consumption as a result of the warm weather last year, the associated companies of Burgenland Holding AG have performed well. Thus, the Management Board can again recommend to the AGM the distribution of an unchanged dividend of EUR1.90 per share.

Against the background of still rising supply costs for electricity and gas and the decrease in grid rates due to rationalisation requirements, there is clearly noticeable pressure on profit development, which can only be offset by increasing investment income, in particular in the field of electricity and heat generation on the basis of biomass and wind power as well as continuing cost management.

In an extraordinary general meeting on December 6, 2007, the shareholders of Burgenland Holding AG filed a joint statement on the strategic orientation of BEWAG. The company's business is to be governed by the principle of concentration on core business activities in electricity grid operations, electricity trading and generation. This decision will entail a reduction of foreign operations, in particular in non-core areas, the preparation of a concept on expanding domestic electricity production from alternative energy sources, alone or - where necessary - with partners, with the extent of the exposure to be in line with a balanced risk structure; fur-



Günther Ofner



Michael Gerbavsits

thermore, the entire range of options with regard to efficiency and accounting is to be utilised in order to improve BEWAG's investment and disbursement capacities. Based on this shareholder statement, it is now the task of BEWAG's Management Board to work out adequate proposals and concepts within the next few months and to present those to the Supervisory Board and, where applicable, to the AGM for approval and decision-making.

The performance of the associated companies overall suggests that the Holding's dividend policy will allow a distribution of dividends for the following business year at no less than this year's level.

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.

Günther Ofner

Michael Gerbavsits

Burgenland Holding AG



Corporate Bodies

Supervisory Board

Chairman

Vice CEO Raiffeisenlandesbank Burgenland

Vice Chairman

Peter Layr

Member of Executive Board EVN AG

Members

Michael Amerer

Member of Executive Board VERBUND-Austrian Hydro Power AG

Burkhard Hofer

Speaker of Executive Board EVN AG

Josef Kaltenbacher

Branch manager BAWAG Eisenstadt

Michael Obentraut

Member of Executive Board retired
Wiener Stadtwerke Holding AG

Werner Perz

Managing Director EnergieAllianz Austria
G.m.b.H.

Felix Sawerthal

Head of Secretariat General and Corporate
Affairs, EVN AG

Gerold Stagl

Regional Manager Wiener Städtische
Versicherung AG

Management Board

Günther Ofner

Michael Gerbavits

Corporate Governance

Burgenland Holding is an Austrian public limited company. 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 are bound by the Principles of Good Corporate Governance. Investors expect 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. Even prior to that date, however, the Company had explicitly embraced the objective of the Code and acknowledged a large part of its regulations.

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. Concerning C-regulations (Comply-or-Explain), listed companies are obliged to provide statements on compliance at regular intervals, while R-regulations are of purely recommendatory character and leave companies a choice to deviate from such regulations without a need for explanation.

Mostly because of industry peculiarities of the Austrian energy sector, Burgenland Holding is unable to comply with the following C-regulations of the Austrian Code of Corporate Governance:

Regulations 4 and 5: Disclosure of motions and all documents including motions and counter-motions of shareholders on the Company's website including a download option does not appear to be conducive, as such information is not open to the general public, but public only to shareholders; this means that only shareholders are entitled to inspect such documents. Filing shareholders also have a right to confidentiality.

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

Regulations 38 and 41: The Company is subject to the mandatory provisions of the Staffing Act. The last sentence is not complied with, as the qualification of candidates is always given precedence over any age limit.

Regulations 64, 66, 67 and 74: As there is no obligation to prepare consolidated group accounts, IFRS are not applied. Reporting is effected pursuant to applicable Austrian financial reporting requirements.



BEWAG 2006/07 Business Year – Preview

October 1, 2006 – September 30, 2007

Information on performance refers to a preview of BEWAG's group accounts for the 2006/07 business year as of September 30, 2007, based on the interim accounts as of June 30, 2007 (9 months of actual figures and 3 months of budget figures). For comparison, we present the figures from the group accounts as of September 30, 2006.

The comparability of the figures is limited to the extent that the consolidation circle has changed due to the initial consolidation of the Croatian telecom companies (Digitalni Centar Medija d.o.o. (DCM) (per 1.4.2007) and Adriatic Kabel d.o.o. (AK) (per 1.5.2007), now B.net Hrvatska d.o.o.), BKF-Das Burgenlandfernsehen GmbH and Biomassekraftwerk Heiligenkreuz Betriebs GmbH (BKHB) and Biomassekraftwerk Heiligenkreuz Errichtungs GmbH (BKHE) (50% each).

Highlights

- **Entry into the Croatian telecom market**
- **Entry into the field of biomass power plants** (together with BEGAS)
- **Spin-off of the BKF television channel** as of October 1, 2006

Electricity sales and supply

In the 2006/07 business year, BEWAG's electricity supply will amount to 1,242.3GWh, and electricity sales to final customers by BEWAG Energievertrieb GmbH & Co KG will be 1,172.9 GWh, around 3.8 % below the volume in the corresponding period of the previous year (October 1, 2005 – September 30, 2006). Compared to the previous business year, grid sales will drop approximately 3.0 % to 1,463.1 GWh, which will mainly be due to the warm winter in 2006/07.

Income situation

The revenues of the BEWAG Group will amount to about EUR240.9 Mio EUR, an increase of 11.4% compared to the previous year. This will mainly be the result of revenue increases by BEWAG Energievertrieb GmbH & Co KG and BECOM Electronics GmbH as well as initial consolidations of BKHB, DCM and AK on the one hand, and a decrease in grid sales on the other. Pre-tax profits will amount to about EUR 25.0m.

Financial situation

The operating cash flow of EUR 59.8m will be 3.6% higher than last year.

Balance sheet and capital structure

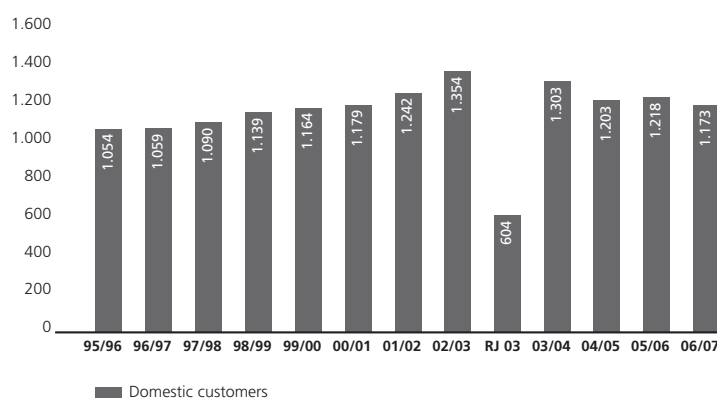
As of September 30, 2007, the balance sheet total will amount to EUR 705.7m. The share of fixed assets (EUR 615.8m) in total assets will be 87.3%. The increase in fixed assets by EUR 84.7m will essentially be put down to the initial consolidation of BKHE, DCM and AK. Shareholder's equity including untaxed reserves will rise 3.2% to EUR 236.9m, resulting in an equity ratio of 33.6%.

Outlook

At the time of printing, the final statements of BEWAG as of September 30, 2007 (2006/07 business year) were not available. We are therefore presenting data based on forecasts referring to the interim accounts as of June 30, 2007.

In the fourth quarter of the 2006/07 business year, the Croatian telecom subsidiaries will be amalgamated and renamed B.net Hrvatska.

Development of electricity sales in GWh



BEWAG Konzern

		2006/07 Forecast	2005/06
Electricity sales	GWh	1,172.9	1,217.7
Grid sales	GWh	1,463.1	1,506.3
Revenues	m EUR	240.9	216.3
Pre-tax profit	m EUR	25.0	31.6
Total assets	m EUR	705.7	604.5
Shareholders' equity ¹⁾	m EUR	236.9	229.5
Operating cash flow	m EUR	59.8	57.7

¹⁾ Shareholders' equity incl. untaxed reserves

BEGAS 2006/07 Business Year

October 1, 2006 – September 30, 2007

Information on performance refers to the forecast financial statements of BEGAS, BEGAS Energievertrieb GmbH&Co KG, BEGAS – Wärme & Service GmbH BEGAS Kraftwerk GmbH and IGM – Industrie- u. Gewerbepark Mittelbgld. Erwerbs-, Erschließungs- und Errichtungs- Gesellschaft m.b.H. consolidated by management (no consolidation under the Commercial Code).

Natural gas sales volume

In total, 160.5m³ of natural gas was sold from October 2006 to September 2007. This represents a decrease in the natural gas sales volume of 19.1 % compared to the same period of the previous year and can be put down mainly to the mild temperatures during the winter months.

Income situation

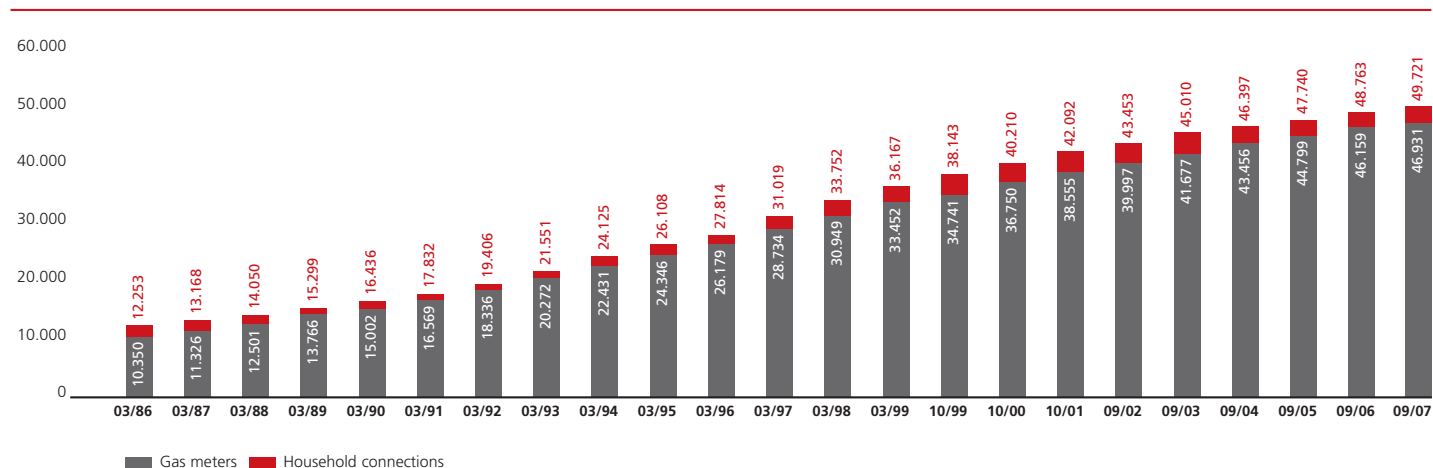
The BEGAS Group generated revenues of EUR54.1m in the reporting period for the 2006/07 business year. The decrease in sales volume in the grid sector due to the warm temperatures combined with a reduction in the mandatory grid use rates as of January 1, 2007, were the main factors in the decline in revenues compared to the previous year.

BEGAS Group

		2006/07 ¹⁾	2005/06	Change +/- %
Total natural gas sales grid	m m ³	160.5	198.4	-19.1
Revenues	m EUR	54.1	63.0	-14.1
Pre-tax profit	m EUR	7.4	10.0	-26.0

¹⁾ Forecasted unaudited consolidated figures

Natural Gas Connections







Management Report

The Company's environment

The legal environment

In the course of EU market liberalisation, the Austrian electricity and gas markets were liberalised in 2001 and 2002, respectively. For the electricity grid sector, an incentive regulation model (2006-2009) was introduced in early 2006. The system generally provides for an adjustment for inflation, reduced by an increase in productivity generally expected of the Austrian grid operators as well as a company-specific increase in efficiency.

Economic environment

The world economy continued to show dynamic growth in 2006 and 2007. In 2006, the real growth rate of the world economy was 3.7% and thus above last year's result. Despite the US housing crisis and turbulences in the international financial markets, a similar growth rate is expected for 2007. The Eurozone showed a 2.7% increase in 2006 and thus recorded its strongest increase in the last 6 years. It even marked an increase in economic activity in the first half of 2007, which was due mainly to an increase in investment demand. The latest forecasts assume that the recent financial turmoil will only have a marginal impact on the economic development and that the sound economic foundation of the Eurozone will absorb the financial shocks. Overall, GDP is expected to rise by 2.6% in the Eurozone.

By contrast, the economy in the US has cooled off in recent months. Following strong GDP growth of 3.4% last year, this figure is expected to drop to 1.9% in 2007. Smaller increases in real wages and the weakness of the housing sector have a dampening effect on consumer sentiment.

The Austrian economy continues to profit from the favourable economic development world-

wide as well as from EU enlargement. GDP growth in 2006 amounted to 3.2%. Following the strong economy in the first six months of 2007, GDP is expected to even rise by 3.5%. This, however, will mark the peak of the economic cycle. For the next two years, forecasts predict a marked decrease in real economic growth to 2.7% and 2.2% per year, respectively. Still, Austria will thus continue to outperform the EU average. The main drivers of economic growth at the moment are still exports and investments. Inflation rates for 2007 and 2008 of roughly 1.9% and 2.1%, respectively, are subdued.

The energy sector

It is a matter of fact that the conditions in the energy sector have a major impact on the performance of an energy provider. Of the various factors working in different ways, the following had a material impact on the results for the 2006/07 business year:

- Temperatures in the Burgenland were 25% above the long-time average (measured in terms of heating degree days). The weather primarily had an impact on the energy consumption of households, in particular the demand for gas and heat from this sector.
- Due to a slight decrease in demand resulting from warm temperatures, the price of Brent North Sea Oil, which is relevant for Europe, at USD65.4 remained at last year's level in the 2006/07 business year. At the same time, the Euro appreciated markedly vis-à-vis the US dollar. Stable oil prices and a significantly stronger euro led to a reduction in the oil price on a euro basis of more than 7% compared to the previous year. This was a major factor in the low inflation rate for the Eurozone. The purchasing price for gas, which is linked to the oil price, dropped 5% in the reporting period..
- Prices of CO₂-emissions certificates were 85.3% below those of last year. After the actual CO₂ emissions of most EU countries were reported to be far below expectations,

the price of CO₂-emissions certificates dropped sharply in the middle of 2006. This trend was reinforced in the winter of 2006 as a result of the lower electricity demand due to the mild weather. Overall, the price of CO₂-emissions certificates was EUR 3.1 per ton as compared to EUR 20.7 per ton last year.

- The falling prices of primary energy and the drastic decline in prices of CO₂-emissions certificates led to a decrease in the wholesale prices of electricity in Europe by more than a third in the reporting period. However, the falling spot market rates only have a limited impact on procurement costs, as electricity is purchased mainly in the forward market.

Burgenland Holding AG – The 2006/2007 Business Year

October 1, 2006 – September 30, 2007

Highlights

- **Dividend income from BEWAG and BEGAS at last year's levels – slight increase by Wiener Börse AG**
- **Recommendation to the AGM: dividend payout of EUR 1.90/share**

Very favourable income situation

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

In the 2006/07 business year, Burgenland Holding received investment income amounting to EUR 6.08m (2005/06: 6.06m), which was composed of the BEWAG dividend of EUR 5.29m and the BEGAS distribution in the amount of EUR 0.73, both for the 2005/06 business year. In addition, Burgenland Holding received a dividend of EUR 0.05m from Wiener Börse AG, in which Burgenland Holding continues to hold 0.88%.

In total, investment income was 0.4% above the corresponding value for the previous year.

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 2006/07, a dividend in the amount of EUR 1.90 per share, totalling EUR 5.70m, 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 2005/06 business year. The balance sheet total stood at EUR 75.9m, an increase of EUR 0.24m on the previous year. As of September 30, 2007, the equity ratio amounts to 99.9%.

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

Burgenland Holding AG

		2006/07 Forecast	2005/06	+/-
Pre-tax profit	m EUR	6.0	5.9	1.3
Investment income	m EUR	6.1	6.0	0.4
Net income	m EUR	6.0	5.9	1.3
Balance sheet total	m EUR	75.9	75.6	0.4
Fixed assets	m EUR	70.5	70.5	-
Current assets, prepaid expenses and deferred charges	m EUR	5.4	5.1	5.8
Shareholders' equity	m EUR	75.8	75.4	0.5
Debt capital	m EUR	0.1	0.1	-

Income ratios

		2006/07 in TEUR	2005/06 in TEUR	+/- abs. in TEUR	+/- %
EBIT	Pre-tax profit + interest and similar expenses pursuant to § 231 (2) Z 15 UGB (Austrian Commercial Code)	6,048	5,969	79	1.3

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 past 2006/07 business year.

		2006/07 in TEUR	2005/06 in TEUR	+/- abs. in TEUR	+/- %
Return on capital					
Return on equity	Pre-tax profit / average shareholders' equity	8.0 %	8.1 %	-	-0.1 %
Return on assets	EBIT / Pre-tax profit / average total assets	8.0 %	8.1 %	-	-0.1 %

Balance sheet and financial ratios

		2006/07 in TEUR	2005/06 in TEUR	+/- abs. in TEUR	+/- %
Working capital	Current assets – Long-term current assets = short-term current assets – short-term debt capital = Working capital	5,341	4,997	344	6.9 %
Equity ratio	Shareholders' equity / Total assets	99.9 %	99.8 %	-	0.1

Burgenland Holding AG does not show any liabilities vis-à-vis credit institutions either as of September 30, 2007, or in the corresponding period. The working capital increased due to higher investments in the Group (cash pooling). Like last year, net gearing (net debt / shareholders' equity) amounts to 0.00%.

Cash flow statement

		2006/07 in TEUR	2005/06 in TEUR	+/- abs. in TEUR	+/- %
Net operating cash flow		5,985	5,961	24	4.0 %
Net investment cash flow		0	0	-	-
Net financing cash flow		-5,700	-3,060	-2,640	-86.3 %
Change in cash and cash equivalents affecting cash flow		285	2,901	-2,616	-90.2 %

Based on a net income of EUR 6.0m, it was possible to achieve an operating cash flow of almost EUR 6.0m. The high net income was determined to a large extent by the distributions of the associated companies. Due to the increased distribution from the net profit from the 2005/06 business year, the cash flow of Burgenland Holding AG decreased to TEUR 285.

The Burgenland Holding Share

Between October 2006 and September 2007, international stock markets generally performed well. Despite an increase in share price fluctuations due to numerous corrections in late February/early March, late May/mid-June, and especially mid-July/August as a result of the credit crisis in the US, many share indices managed to continue their positive trend.

In the reporting period, the German DAX rose 30.9 %, while the European EuroStoxx 50 index increased by a respectable 12.4 %. The American Dow Jones index, which just recently again reached an all-time-high, had

gone up almost 19% as of the end of September. The Japanese Nikkei index, which had suffered most from the turmoil in the credit sector, edged up only 4.1%.

Vienna's leading ATX index rose 17. By comparison, the DOW JONES EURO STOXX UTILITIES industry index, relevant for Burgenland Holding, performed very well and posted an increase of 24.9 %.

The shares of Burgenland Holding closed at 67.61 at the end of September 2007; this represents a small decrease by 0.54% and thus

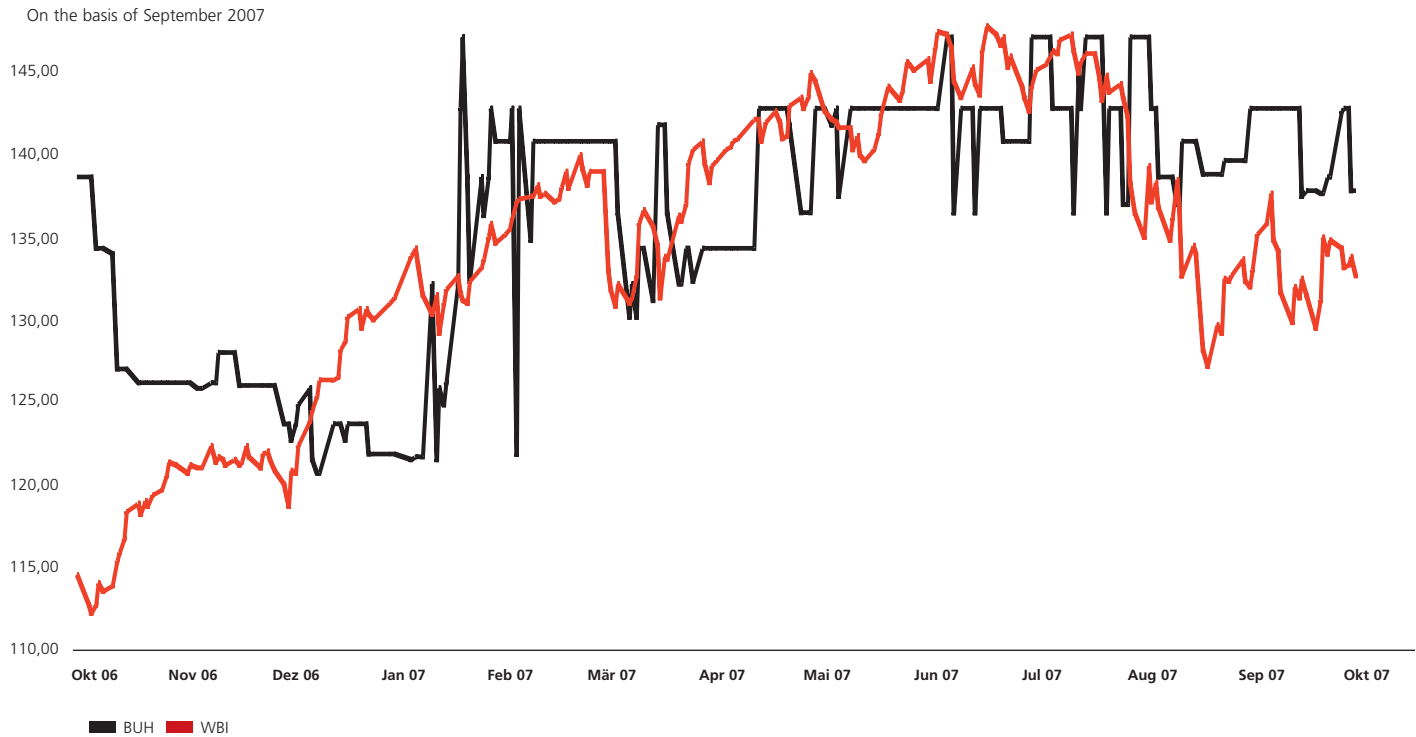
a stable performance in the reporting period. This corresponds to a market capitalisation of currently EUR 203m. At the end of September 2007, its weighting in the WBI was 0.13%.

Investor Information

Performance		2006/07	2005/06	2005/06
Average daily volume	No.	55	93	78
Total share volume	m EUR	0.94	1.34	0.96
Share price high	EUR	72.00	70.00	51.00
Share price low	EUR	59.60	45.05	45.00
Share price as of the last trading day in September	EUR	67.61	67.98	49.15
Market capitalisation as of the last trading day in September	m EUR	203	204	147
Weighting in the WBI index as of the last trading day in September	%	0.13	0.16	0.15

Important dates for investors: see back of this report
 Details on the share: see inside front cover

Share price Burgenland Holding/WBI (%)



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 profile

Due the constant growth of its investments, Burgenland Holding AG continues to keep an increased focus on 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 expect the positive performance of our investments to continue and anticipate a slight increase in dividend income.

2006/07 Annual Financial Statements



Balance Sheet

Assets

	30.09.2007 EUR	30.09.2006 TEUR
A. Fixed assets:		
I. Financial assets:		
1. Investments	70,451,755.80	70,451.8
	70,451,755.80	70,451.8
B. Current assets:		
I. Accounts receivable and other assets:		
1. Receivables from affiliated companies	5,350,000.00	5,030.0
2. Other receivables	30,387.02	18.5
	5,380,387.02	5,048.5
II. Cash at hand and with banks		
1. Cash with banks	27,651.79	62.9
	5,408,038.81	5,111.4
C. Prepaid expenses and deferred charges	1,614.15	1.6
	75,861,408.76	75,564.8

Liabilities

	30.09.2007 EUR	30.09.2006 TEUR
A. Shareholders' equity:		
I. Share capital	21,810,000.00	21,810.0
II. Capital reserves:		
1. Committed reserves	43,676,373.33	43,676.4
III. Retained earnings:		
1. Other reserves (free reserves)	4,600,000.00	4,260.0
IV. Net profit:	5,708,623.72	5,704.4
Thereof profit carry-forward	4,400.57	3.9
	75,794,997.05	75,450.8
B. Provisions:		
I. Tax provisions	875.00	0.9
II. Other provisions	14,529.24	14.0
	15,404.24	14.9
C. Liabilities:		
I. Trade accounts payable	422.60	3.9
II. Liabilities to affiliated companies	50,584.87	95.3
	51,007.47	99.2
	75,861,408.76	75,564.8

Development of Fixed Assets

EUR	Acquisition cost Oct 1, 2006	Additions	Disposals
I. Financial assets			
Investments	70,451,755.80	0.00	0.00
Total I	70,451,755.80	0.00	0.00
Fixed assets – total	70,451,755.80	0.00	0.00

Income Statement

October 1, 2006 to September 30, 2007

(Period of comparison: October 1, 2005 to September 30, 2006)

	2006/07 EUR	2006/07 EUR	2005/06 TEUR
1. Other operating income			
a) Rest		71.13	0.1
2. Other operating expenses			
a) Taxes	-351.56		
b) Others	-209,859.45		-155.9
		-210,211.01	-156.2
3. Total 1 to 2 (operating result)		-210,139.88	-156.1
4. Investment income		6,083,410.64	6,061.7
From affiliated companies EUR 0.00; prev.yr. TEUR 0)			
5. Other interest and similar income		174,452.39	63.5
From affiliated companies EUR 173,842.44; prev.yr. TEUR 62.7)			
6. Total 4 to 5 (financial result)		6,257,863.03	6,125.2
7. Pre-tax profit		6,047,723.15	5,969.0
8. Taxes on income		-3,500.00	-3.5
9. Net income		6,044,223.15	5,965.5
10. Transfer to retained earnings		-340,000.00	-265.0
11. Profit carry-forward		4,400.57	3.9
12. Net profit		5,708,623.72	5,704.4

Reclassification	Acquisition cost Sep 30, 2007	Value adjustments Sep 30, 2007	Net book value Sep 30, 2007	Net book value Sep 30, 2006	Depreciation 2005/06
0.00	70,451,755.80	0.00	70,451,755.80	70,451,755.80	0.00
0.00	70,451,755.80	0.00	70,451,755.80	70,451,755.80	0.00
0.00	70,451,755.80	0.00	70,451,755.80	70,451,755.80	0.00

Notes

GENERAL REMARKS

General accounting principles

The financial statements were prepared in accordance with GAAP Austrian 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).

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) HGB) TEUR	Net income TEUR	As of
BEWAG RO: Eisenstadt	49.00	189,793.3	20,542.2	Sep 30, 2006
BEGAS RO: Eisenstadt	49.00	68,071.3	7,697.4	Sep 30, 2006
Wiener Börse AG RO: Wien	0.88	64,594.2	25,183.3	Dec 31, 2006

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	5,350.0 (5,030.0)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Other receivables and assets	30.4 (18.5)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Current year – total	5,380.4	0.0	0.0	0.0
Previous year – total	(5,048.5)	(0.0)	(0.0)	(0.0)

The receivables from affiliated companies cover exclusively receivables from finance activities. The accruals amounting to EUR 1,614.15

(prev.yr. TEUR 1.6) are made up exclusively of other deferred charges.

Mandatory disclosure for stock corporations

The Company's share capital was reorganized following a resolution of the 10th 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, 2007 TEUR	As of Sep 30, 2006 TEUR
Supervisory board reimbursement	9.4	8.9
Audit and legal counsel	5.1	5.1

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	0.4 (3.9)	0.4 (3.9)	0.0 (0.0)
Payables due to affiliated companies	50.6 (95.3)	50.6 (95.3)	0.0 (0.0)
Current year – total	51.0	51.0	0.0
Previous year – total	(99.2)	(99.2)	(0.0)

The payables due to affiliated companies are made up exclusively of trade accounts payable.

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 2005/06 business year in

the amount of EUR5,298,515.04 (previous year: TEUR 5,298.5), of BEGAS for the 2005/06 business year in the amount of EUR 729,725.60 (py: TEUR729.7), and of Wiener Börse AG for the 2005 business year in the amount of EUR 55,170.00 (py: TEUR33.4).

Taxes on income

The item "Income taxes" shows the minimum corporation tax of EUR3,500.00 (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
Michael Gerbavits, Sulz

Expenses for the members of the management board amounted to EUR 763.07 for the reporting period (prev.yr.: TEUR 1,853.12).

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
Werner Perz
Felix Sawerthal
Gerold Stagl

The members of the supervisory board received compensation in the amount of TEUR 12.1 (py: TEUR 12.8). The Company does not have employees.

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).

Eisenstadt, October 12, 2007

Management Board



Günther Ofner, mp



Michael Gerbavits, mp





Auditor's report

We have audited the enclosed annual financial statements of Burgenland Holding Aktiengesellschaft, Eisenstadt, for the business year from October 1, 2006, to September 30, 2007, including accounting procedures. Accounting procedures, preparation and content of these financial statements as well as the management report in accordance with the regulations of the Austrian Commercial Code are the responsibility of the duly authorized representatives of the company. Our responsibility is to express an opinion on these financial statements based on our audits and a statement as to whether the management report is in accordance with the financial statements.

We conducted our audits in accordance with applicable Austrian law and generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement

and whether it is possible to determine if the management report is in accordance with the financial statements. In determining auditing procedures, familiarity with business activities and the economic and the legal environment of the company as well as expectations concerning possible errors are taken into account. The audit includes evaluating, on the basis of random sampling, evidence supporting the amounts and disclosures in accounting procedures and the financial statements. It further includes assessing the accounting principles used and the significant estimates made by the duly authorised representatives, as well as evaluating the overall financial statement presentation. We are satisfied that our audit has provided a sufficiently sound basis for our audit opinion.

Our audit has not resulted in any objections. Based on the findings of the audit, we conclude that the financial statements are in compli-

ance with legal regulations and present a true and fair view of the company's assets, liabilities, financial position, and profit or loss in conformity with generally accepted accounting principles. The Management Report is consistent with the Financial Statements.

Vienna, 12. 10. 2007

KPMG Austria GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

Mag. Rainer Hassler
Auditors and Tax Consultants
ppa Mag. Maximilian Schreyvogel

Proposed distribution of profits

The management board proposes the distribution of a dividend of EUR1.90 per share, totaling EUR 5,700,700.00, from the net profit

amounting to EUR 5,708,623.72 and carrying forward the remainder of EUR 8,623.72.

Eisenstadt, October 2007

Management Board



Günther Ofner



Michael Gerbavits

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, 2007, 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 2006/07 business year.

Eisenstadt, 3.12.2007

On behalf of the
Supervisory Board



The Chairman, Leopold Buchmayer

Burgenland Holding AG

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Corporate Calendar 2007/08 ¹⁾

Results 1st quarter	February 27, 2008
AGM	March 28, 2008
Ex-dividend date	April 3, 2008
Dividend payout	April 10, 2008
Results first six months	May 30, 2008
Results 3rd quarter	August 29, 2008
Results for the full year 2007/08	December 16, 2008

¹⁾ preliminary

Declaration by the Executive Board pursuant to § 82 Sect. 4 (3) of the Austrian Stock Exchange Act

The Executive Board of Burgenland Holding AG certifies,

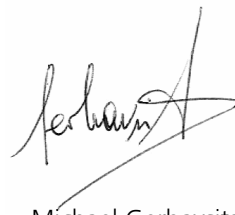
that, to the best of its knowledge, the annual financial statements of the company, prepared in compliance with internationally accepted accounting standards, present a fair and accurate picture of the profit, asset and financial position of the company;

that the Management Report presents the development and performance of the business in such a manner as to ensure a fair and accurate picture of the profit, asset and financial position, and that the principal risks and uncertainties have been described.

Eisenstadt, on January 31, 2008
Burgenland Holding AG
The Executive Board



Günther Ofner
Member of the
Executive Board



Michael Gerbavsits
Member of the
Executive Board