ALLIANT ENERGY CORP
Form 424B5
June 30, 2003

Table of Contents

The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-104269

Subject to Completion

Preliminary Prospectus Supplement dated June 26, 2003

Prospectus Supplement

(To prospectus dated June 20, 2003)

15,000,000 Shares

Alliant Energy Corporation

Common Stock

We are an energy-services provider engaged primarily in regulated utility operations in the Midwest, with other non-regulated domestic and international operations. We are selling 15,000,000 shares of common stock with this prospectus supplement.

Our common stock is listed on the New York Stock Exchange under the symbol LNT. On June 25, 2003, the last reported sale price of our common stock on the New York Stock Exchange was $20.02 per share.

Investing in the common stock involves risks that are described in the Risk Factors section beginning on page S-5 of this prospectus supplement.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds to Alliant Energy Corporation	$	$

We have granted the underwriters a 30-day option to purchase up to an additional 2,250,000 shares of our common stock to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about July , 2003.

Banc of America Securities LLC **Merrill Lynch & Co.**

Robert W. Baird & Co.

Lehman Brothers

Wachovia Securities

The Williams Capital Group, L.P.

The date of this prospectus supplement is July , 2003

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. You should read the entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated by reference that are described under Where You Can Find More Information in the accompanying prospectus. In the event that the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of respective dates of those documents in which the information is contained. Our business, financial condition, results of operations and prospects may have changed since those dates.

Our principal executive offices are located at 4902 North Biltmore Lane, Madison, Wisconsin 53718, and our telephone number is (608) 458-3311.

Unless we otherwise indicate or unless the context requires otherwise, all references in this prospectus supplement to we, our, us or similar references mean Alliant Energy Corporation.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the information we incorporate by reference into this prospectus supplement and the accompanying prospectus contain forward-looking statements that are intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including statements regarding anticipated financial performance, business strategy and management s plans and objectives for future operations, are forward-looking statements. These forward-looking statements can be identified as such because the statements generally include words such as expect, intend, believe, anticipate, estimate, plan or objective or other similar expressions. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, these statements. Some, but not all, of the risks and uncertainties include those described in the Risk Factors section of this prospectus supplement and the following:

- weather effects on sales and revenues;
- economic and political conditions in our domestic and international service territories;
- unanticipated construction and acquisition expenditures;

risks related to the operations of our nuclear facilities;

developments that adversely impact our ability to implement our strategic plan;

results of our Brazil investments and performance by our other non-regulated businesses as a whole;

material permanent declines in the fair value of, or expected cash flows from, our investments;

our ability to continue cost controls and operational efficiencies;

Table of Contents

- our ability to identify and successfully complete proposed acquisitions and development projects;
- access to technological developments;
- employee workforce factors, including changes in key executives, collective bargaining agreements or work stoppages; and
- changes in the rate of inflation.

We assume no obligation, and disclaim any duty, to update these forward-looking statements.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. This summary may not contain all of the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus carefully before making an investment decision.

Our Company

We are an energy-services provider engaged primarily in regulated utility operations in the Midwest, with other non-regulated domestic and international operations. Through our subsidiaries and partners, we provide electric, natural gas and steam services to over three million customers worldwide. Our domestic regulated utilities operate in Iowa, Wisconsin, Minnesota and Illinois. We have energy-related operations and investments throughout the United States as well as in Brazil, China, New Zealand and Mexico.

Domestic Utility Operations

Our domestic utility operations consist of our regulated public utility subsidiaries, Interstate Power and Light Company, or IP&L, and Wisconsin Power and Light Company, or WP&L.

IP&L is a public utility operating in Iowa, Minnesota and Illinois engaged principally in the generation, transmission, distribution and sale of electric energy to approximately 526,000 customers as of December 31, 2002; the purchase, distribution, transportation and sale of natural gas to approximately 235,000 customers as of December 31, 2002; and the delivery of steam services in selected markets.

WP&L is a public utility operating in Wisconsin and Illinois engaged principally in the generation, distribution and sale of electric energy to approximately 430,000 customers as of December 31, 2002; and the purchase, distribution, transportation and sale of natural gas to approximately 170,000 customers as of December 31, 2002.

Alliant Energy Resources

Through our subsidiary, Alliant Energy Resources, Inc., or Resources, we manage a portfolio of companies involved in non-regulated businesses through distinct platforms: International, Non-regulated Generation, Integrated Services, Investments and Energy Technologies.

Strategic Actions

On November 22, 2002, we announced that our board of directors had approved various strategic actions designed to maintain a strong credit profile, strengthen our balance sheet and position us for improved long-term financial performance.

To date, we have made significant progress toward execution of these strategic actions, including the following:

We committed to pursue the sale of, or other exit strategies for, a number of our non-regulated businesses, including our oil and gas production company, Whiting Petroleum Corporation, our investments in hydro-electricity generation assets in Australia, including Southern Hydro Partnership, our affordable housing business, including Heartland Properties, Inc., and several other non-core businesses. As a result of these actions, we expect to achieve aggregate debt reduction in excess of $800 million. We expect to achieve a significant majority, if not all, of such debt reduction in 2003 with any remainder in 2004. The amount of proceeds ultimately received from these divestitures, and the timing of the completion of the transactions, are subject to a variety of factors, including the transaction structures we use to exit these businesses. We may be required to pay premiums in connection with a portion of our debt reduction, which could result in charges to our earnings from continuing operations.

Table of Contents

In April 2003, we completed the sale of our Australian assets to New Zealand-based Meridian Energy Limited. The sale price was approximately $365 million and the sale enabled us to reduce our indebtedness by approximately $320 million in the second quarter of 2003.

We are in the process of negotiating definitive agreements relating to the sale of our affordable housing business and expect to close this transaction in the third quarter of 2003. As of March 31, 2003, there was approximately $108 million of indebtedness attributable to our affordable housing business. In connection with the completion of such transaction, we likely will incur valuation and other charges in our discontinued operations in the second and/or third quarter.

We have pursued a formal process for the divestiture of Whiting Petroleum. We are currently evaluating public and private stock and asset sale alternatives. In connection with our consideration of certain public and private alternatives for the divestiture of Whiting, we are currently seeking an amendment to our credit agreement from our bank group to provide us with the necessary flexibility related to the various alternatives we are currently evaluating. As of March 31, 2003, there was approximately $185 million of indebtedness attributable to Whiting Petroleum.

We continue to make progress on our plans to exit SmartEnergy, Inc., our internet-based energy retailer, which we expect to complete during the third quarter of 2003.

We are in the process of selling some or all of our water utility business. We have entered into an agreement in principle for the sale of our water utility serving the Beloit area at a sale price of approximately $21 million, subject to contingencies including regulatory approvals and financing. We also continue pursuit of the sale of our water utilities serving the Ripon and South Beloit areas.

We reduced our targeted annual common stock dividend from $2.00 per share to $1.00 per share, effective with the dividend declared and paid in the first quarter of 2003.

We reduced our anticipated aggregate 2002 and 2003 construction and acquisition expenditures by approximately $400 million.

We are implementing additional cost control measures through our new Six Sigma program and our new enterprise resource planning system that was placed in service in October 2002 and by a heightened focus on operating our domestic utility business in a manner that aligns operating expenses with the revenues granted in our various rate filings.

Our board of directors also authorized the issuance of common equity, which consists of the common stock we are offering pursuant to this prospectus supplement.

Recent Developments

Wisconsin Retail Rate Case Final Order

On April 4, 2003, WP&L received the final order in its 2003 retail electric, gas and water rate case from the Public Service Commission of Wisconsin, or PSCW. The PSCW granted an $81 million, or 9.78%, annual revenue increase and authorized a return on common equity of 12.0% effective in April 2003.

Iowa Electric Rate Case Final Order

On April 15, 2003, IP&L received the final order in its retail electric rate case from the Iowa Utilities Board, or IUB. The IUB granted a $26 million, or 2.91%, annual revenue increase and authorized a return on common equity of 11.15% effective in June 2003.

Table of Contents

Iowa Gas Rate Case Final Order

On May 15, 2003, IP&L received the final order in its retail gas rate case from the IUB. The IUB granted a $13 million, or 4.8%, annual revenue increase and authorized a return on common equity of 11.05% effective in July 2003.

Minnesota Electric Rate Case

On May 19, 2003, IP&L filed a rate request with the Minnesota Public Utilities Commission for approval to increase electric base rates by approximately $5.0 million, or 8.0%, with a rate of return on common equity of 12.3%. The request also seeks approval to increase rates on an interim basis by approximately $2.9 million, or 4.6%, with a rate of return on common equity of 11.0%. IP&L expects interim rates to be effective in July 2003 and final rates to be effective March 2004.

TRANSLink

On June 4, 2003, the IUB announced its decision to dismiss all proposals relating to TRANSLink Transmission Co. LLC, a for-profit, transmission-only company, without prejudice, including IP&L s proposal to contribute and transfer its transmission assets to TRANSLink. However, the IUB encouraged the participating companies to revise and refile their reorganization applications. IP&L is currently evaluating its alternatives with respect to TRANSLink.

Brazil Debt Restructuring

The Brazilian electric utilities in which we hold unconsolidated investments are negotiating with creditors to restructure and convert up to $180 million (of which approximately $50 million is due on September 15, 2003), as converted from local currency to U.S. dollars, of short-term and long-term debt currently outstanding into new long-term debentures and other longer term debt. The refinancing is subject to regulatory and shareowner approvals and is currently expected to be completed in the third quarter of 2003. See Risk Factors.

Credit Facility Borrowings and Availability

The following table sets forth our, IP&L s and WP&L s bank credit facility borrowings and availability as of May 31, 2003:

	Alliant Energy Corporation	IP&L	WP&L	Combined

	(In millions)			
Total facility	$ 450 (1)	$ 200	$ 150 (2)	$ 800
Borrowings backed by facility	(77)	(120)	(51)	(248)
Availability	$ 373	$ 80	$ 99	$ 552

(1) Availability under our bank credit facility will be reduced by up to $50 million by any proceeds from this offering in excess of $300 million.
(2) WP&L only has borrowing authority from the PSCW of $85 million for general corporate purposes, an additional $100 million should WP&L no longer sell its utility receivables and an additional $55 million should WP&L need to repurchase its variable rate demand bonds.

Our, IP&L s and WP&L s bank credit facilities expire in October 2003. While we anticipate renewing these credit facilities in the third quarter of 2003, we cannot provide any assurance that we will be able to do so.

We terminated Resources standby credit facility effective June 26, 2003.

Table of Contents

The Offering

Common stock offered	15,000,000 shares
Approximate number of shares of common stock outstanding after the offering	108,076,105 shares
Listing	New York Stock Exchange
Symbol	LNT
Use of proceeds	We will use the proceeds from this offering to make capital contributions to our domestic utility subsidiaries. Our domestic utilities will use such funds for repayment of debt and financing the development and construction of new generation and distribution facilities, funding additional working capital, financing capital expenditures and other general corporate purposes.

The number of shares outstanding after the offering is based on 93,076,105 shares outstanding as of June 16, 2003. The number of shares of common stock offered and to be outstanding after this offering does not include:

- 2,250,000 additional shares of common stock that the underwriters have an option to purchase from us within 30 days of the date of this prospectus supplement; and

- shares issuable upon the exercise of outstanding stock options held by our employees, executive officers and directors.

S-4

Table of Contents

RISK FACTORS

You should carefully consider the risk factors described below, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment in our common stock. The risks and uncertainties described below are not the only ones facing our company.

We may not be able to successfully implement our strategic actions, including the sale of, or exit from, a number of our businesses, in a timely manner or at all.

Our ability to successfully implement the strategic actions that we announced in November 2002 depends on several factors, some of which are beyond our control, including our ability to raise cash from the sales of, or other exit from, Whiting Petroleum, our affordable housing business, SmartEnergy and other non-core businesses. Our ability to sell, or otherwise exit from, these businesses may be adversely affected should we be unable to locate potential buyers or investors in a timely fashion and obtain a reasonable price or by competing asset sale programs by our competitors. Many of our competitors strategic plans also include the sale of assets. If we are unable to complete these divestitures on the timetable we expect or if we are unable to obtain the proceeds that we expect from these divestitures, then our financial condition and cash flows could be significantly adversely affected. In addition, even if we successfully complete these divestitures, it is possible that we could record material gains, losses, accounting adjustments or other charges related to these divestitures, which may have a material adverse effect on our results of operations.

If we are unable to fully recover the cost of fuel, purchased power and natural gas from our domestic and international utility customers, or if we do not obtain the amount of expected rate relief requested in our pending domestic and international rate cases on the schedule we desire, then our profitability, financial condition and cash flows may be adversely impacted.

In 2002, approximately 50% of our domestic electric and gas utility operating revenues were from our Iowa operations and approximately 44% of our domestic electric and gas utility operating revenues were from our Wisconsin operations. Our Iowa utility is entitled, subject to regulatory review, to automatically recover increases in the cost of fuel, purchased energy and natural gas purchased for resale through electric and natural gas rates. Retail electric rates of our Wisconsin utility are based on annual forecasted fuel and purchased power costs. We can seek emergency rate increases in Wisconsin if the annual costs are more than 3% higher than the estimated costs used to establish rates. Purchased power capacity costs in Iowa and Wisconsin are not recovered from electric customers through these mechanisms, as these costs must be addressed in a formal rate proceeding. As described under The Company Domestic Utility Operations Rates and Regulatory Environment, our utility subsidiaries currently have several pending rate cases. If we do not receive the amount of rate relief that we expect, the increased rates are not approved on a timely basis or we are otherwise unable to recover our costs through rates, then we may experience an adverse impact on our results of operations and cash flows. We are also subject to international rate regulation in some of the foreign markets in which we operate.

We have made substantial international investments, which may present additional risks to our business.

As of December 31, 2002, we had $535 million in net investments in foreign countries related to our continuing operations, primarily in electric utility companies and generation facilities, and we may make additional new international investments in the future. International operations are subject to various risks, including political and economic instability, local labor market conditions, the impact of foreign government regulations and taxation, and differences in business practices. In particular, we had $214 million in net investments in Brazil as of December 31, 2002, which was net of $210 million ($170 million as of May 31, 2003) of pre-tax cumulative foreign currency translation losses. Our operations in

Brazil have recently faced significant regulatory and political uncertainties and also currently have pending rate cases. Unfavorable changes in the international political, regulatory or business climate could have a material adverse effect on our growth plans for our international investments and, in turn, our results of operations and financial condition. In addition, the

Table of Contents

results of operations and financial condition of our subsidiaries that conduct operations in foreign countries will be reported in the relevant foreign currencies and then translated into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements. Fluctuations between these currencies and the U.S. dollar may have a material adverse effect on our results of operations and financial condition and may also significantly affect the comparability of our results between financial periods.

The Brazilian utilities in which we hold investments may not be able to restructure their debt.

The Brazilian electric utilities in which we hold unconsolidated investments are negotiating with creditors to restructure and convert up to $180 million (of which approximately $50 million is due on September 15, 2003), as converted from local currency to U.S. dollars, of short-term and long-term debt currently outstanding into new long-term debentures and other longer term debt. In April 2003, Standard and Poor s issued a rating on the debentures of brBBB+ with a negative outlook. The refinancing is subject to regulatory and shareowner approvals and is currently expected to be completed in the third quarter of 2003. If the refinancing is not completed as anticipated and the Brazilian utilities are unable to extend or repay certain obligations outstanding, then the liquidity position of the Brazilian utilities may be significantly adversely affected. In such an event, we are not required to invest any additional capital in Brazil but it could lead to material asset valuation charges as relates to our investments in our Brazilian utilities.

A downgrade in our credit rating could negatively affect our borrowing costs and our ability to access capital and to operate our business.

Standard & Poor s and Moody s downgraded our credit ratings in December 2002 and January 2003, respectively. If the ratings agencies were to further downgrade our credit ratings, then our borrowing costs would increase, which would diminish our financial results, and our potential pool of investors and funding sources could decrease. Some of our lease agreements contain ratings triggers, which could result in accelerated payments of up to approximately $45 million in the event of a ratings downgrade. In addition, some of our subsidiaries access debt and other capital from various sources and carry their own credit ratings. Any downgrade or other event negatively affecting the credit ratings of these subsidiaries could make their costs of borrowing higher or access to funding sources more limited, which in turn could increase our need to provide liquidity in the form of capital contributions or loans to such subsidiaries, thus reducing the liquidity and borrowing availability of the consolidated group. Our credit ratings may be dependent on, among other things, our earnings outlook for future periods and the success of our business plan, including our ability to successfully implement the strategic actions that we announced in November 2002. If we are unable to achieve our earnings outlook or we lower our earnings outlook, our credit ratings could be adversely affected. The failure to meet the goals set forth in our business plan from time to time, such as our inability to successfully execute on a timely basis our planned divestitures, could cause our credit ratings to be lowered.

We are subject to risks associated with recent events affecting capital markets and changes in the business climate that could limit our access to capital.

Some of our businesses, in particular our domestic utilities, are capital intensive and the fulfillment of our respective long-term strategies depends, at least in part, upon our ability to access capital at attractive rates and terms. In response to the occurrence of several events, the U.S. financial markets have been disrupted in general, and the availability and cost of capital for our business and that of our competitors in the energy industry have been adversely affected. In addition, the financial difficulties of many energy companies and other issues affecting the energy industry have caused the credit ratings agencies to more thoroughly review the capital structure, cash flows and earnings potential of energy companies, including us. If access to capital becomes significantly constrained, then our results of operations and financial condition could be significantly adversely affected.

As a holding company, we are subject to restrictions on our ability to pay dividends.

We are a holding company with no significant operations of our own. Accordingly, the primary source of funds for us to pay dividends to our shareowners is dividends our subsidiaries and investments pay to us. Our

Table of Contents

subsidiaries and investments are separate and distinct legal entities and have no obligation to pay any amounts to us, whether by dividends, loans or other payments. The ability of our subsidiaries and investments to pay dividends or make distributions to us, and accordingly, our ability to pay dividends on our common stock, will depend on the earnings, capital requirements and general financial condition of our subsidiaries and on regulatory limitations. Our domestic utility subsidiaries each have dividend payment restrictions based on their respective bond indentures, the terms of their outstanding preferred stock and regulatory limitations applicable to them. If we do not receive adequate distributions from our subsidiaries and investments, then we may not be able to make or may have to reduce dividend payments on our common stock.

Costs of compliance with new environmental laws and the incurrence of environmental liabilities could adversely affect our profitability.

Our operations are subject to extensive regulation relating to environmental protection. New environmental laws and regulations affecting our operations may be adopted, and new interpretations of existing laws and regulations could be adopted or become applicable to us or our facilities, which may substantially increase environmental expenditures made by us in the future. In addition, we may not be able to recover all of our respective costs for environmental expenditures related to regulated utility operations through electric and natural gas rates in the future. Under current law, we may also be responsible for any on-site liabilities associated with the environmental condition of the facilities that we have previously owned or operated, regardless of whether the liabilities arose before, during or after the time we owned or operated the facilities. The incurrence of a material environmental liability could have a material adverse effect on our results of operations and financial condition.

We have been named in a class action shareowner lawsuit.

We and certain of our executive officers have been named as defendants in a purported consolidated class action shareowner lawsuit filed in the U.S. District Court for the Western District of Wisconsin as Case No. 03-C-0191-S. The actions were allegedly brought on behalf of purchasers of our securities from January 29, 2002 through July 18, 2002. The complaints allege that the defendants made false and misleading statements relating to our expected performance of our various non-regulated businesses. The defendants have moved to dismiss the complaints, but the court has not yet ruled on the motion. We believe this lawsuit is without merit and intend to continue to defend it vigorously. However, we cannot provide any assurance that we will be successful, and an adverse resolution of the lawsuit could have a material adverse effect on our financial position and results of operations in the period in which the lawsuit is resolved.

The energy industry is changing and becoming competitive, which may adversely affect our ability to operate profitably.

The energy industry is in a period of fundamental change resulting from legislative and regulatory changes. Although we expect that deregulation in our domestic retail service territories will likely be delayed due to recent developments in the industry, regulatory changes and other developments will continue to increase competitive pressures on electric and gas utility companies. Generally, increased competition could threaten our market share in some segments of our business and could reduce our profit margins. Such competitive pressures could cause us to lose customers and incur additional costs that might not be recovered from customers.

Threats of terrorism and catastrophic events that could result from terrorism may impact our operations in unpredictable ways.

We are subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. In particular, nuclear generation facilities such as our nuclear plants could be potential targets of terrorist activities. The effects of terrorist threats and activities, include, among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the U.S., and the increased cost and adequacy of security and insurance.

Table of Contents

SELECTED FINANCIAL INFORMATION

The selected consolidated financial information below was selected or derived from our consolidated financial statements. The unaudited interim period financial information, in our opinion, includes all adjustments, which are normal and recurring in nature, necessary for a fair presentation for the periods shown. Results for the three months ended March 31, 2003 are not necessarily indicative of results to be expected for the full fiscal year. The information set forth below is qualified in its entirety by and should be read in conjunction with our Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes incorporated by reference into this prospectus supplement and accompanying prospectus. See Where You Can Find More Information.

	Year Ended December 31,			Three Months Ended March 31,	
	2000	2001	2002	2002	2003
	(In thousands, except per share amounts)				
Income Statement Data:					
Operating revenues	$ 2,270,975	$ 2,569,505	$ 2,438,342	$ 571,436	$ 895,790
Income (loss) from continuing operations	330,915	128,159	87,456	(7,791)	14,639
Income (loss) from discontinued operations, net of tax(1)	51,039	57,071	19,425	17,534	(9,134)
Income before cumulative effect of changes in accounting principles, net of tax	381,954	185,230	106,881	9,743	5,505
Cumulative effect of changes in accounting principles, net of tax	16,708	(12,868)			(5,983)
Net income (loss)	398,662	172,362	106,881	9,743	(478)
Per Share Data (Diluted):					
Income (loss) from continuing operations per average common share	$ 4.18	$ 1.59	$ 0.97	$ (0.09)	$ 0.16
Income (loss) from discontinued operations per average common share(1)	0.64	0.71	0.21	0.20	(0.10)
Cumulative effect of changes in accounting principles per average common share	0.21	(0.16)			(0.07)
Net income (loss) per average common share	5.03	2.14	1.18	0.11	(0.01)
Dividends declared per common share(2)	2.00	2.00	2.00	0.50	0.25
Other Financial Data:					
Construction and acquisition expenditures	$ 845,454	$ 712,991	$ 656,752	$ 155,089	$ 284,725

	As of December 31,		As of March 31,	
	2001	2002	2002	2003
	(In thousands, except per share amounts)			
Balance Sheet Data:				
Total assets	$ 6,237,925	$ 7,001,395	$ 6,422,656	$ 7,714,243
Long-term obligations, net	2,586,044	2,784,216	2,797,153	2,844,655
Book value per share	21.39	19.89	21.19	19.93

(1) At December 31, 2002, our oil and gas (Whiting Petroleum), Australian (including Southern Hydro), affordable housing and SmartEnergy businesses were classified as held for sale. The operating results for these businesses for all periods presented have been separately classified and reported as discontinued operations in our consolidated financial statements and related notes.

(2) In November 2002, we announced a reduction in our targeted annual common stock dividend from $2.00 per share to $1.00 per share, effective with the dividend declared and paid in the first quarter of 2003.

Table of Contents

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering, without exercise of the underwriters over-allotment option, of approximately $ ($ if the underwriters over-allotment option is exercised in full), after deducting the underwriting discount and commissions and estimated offering expenses payable by us. We will use the proceeds from this offering to make capital contributions to our domestic utility subsidiaries. Our domestic utilities will use such funds for repayment of debt and financing the development and construction of new generation and distribution facilities, funding additional working capital, financing capital expenditures and other general corporate purposes.

At March 31, 2003, our domestic utilities had short-term debt outstanding of approximately $132 million with a weighted average interest rate of 1.46%, which will be repaid from proceeds of this offering.

In its final rate order issued in April 2003, the Public Service Commission of Wisconsin required us to make an equity contribution of $200 million into WP&L by July 2003, a significant portion of which will come from the proceeds of this offering. The order includes a customer refund provision if the timing and/or amount of the equity contribution differs from the assumptions stated in the rate case.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of March 31, 2003 on an actual basis and as adjusted to give effect to the sale of 15,000,000 shares of our common stock offered in this prospectus supplement after deducting the underwriting discount and estimated offering expenses, and the anticipated use of the net proceeds from the offering as described under Use of Proceeds. The information set forth below assumes the underwriters do not exercise their over-allotment option.

	As of March 31, 2003			
	Actual	**% of Total**	**As Adjusted**	**% of Total**
		(In thousands)		
Common stock	$ 927		$	
Additional paid-in capital	1,301,298			
Retained earnings	734,676			
Accumulated other comprehensive loss	(181,930)			