

## PART I. FINANCIAL INFORMATION

## ITEM 1. Financial Statements.

UNION ELECTRIC COMPANY  
CONSOLIDATED BALANCE SHEET  
(Unaudited, in millions, except per share amounts)

	June 30, 2003	December 31, 2002
<b>ASSETS:</b>		
Property and plant, net	\$ 6,094	\$ 5,991
Investments and other assets:		
Nuclear decommissioning trust fund	191	172
Other assets	240	235
Total investments and other assets	431	407
Current assets:		
Cash and cash equivalents	21	9
Accounts receivable - trade (less allowance for doubtful accounts of \$5 and \$6, respectively)	156	171
Unbilled revenue	164	101
Miscellaneous accounts and notes receivable	41	49
Materials and supplies, at average cost	163	162
Other current assets	21	26
Total current assets	566	518
Regulatory assets	746	659
Total Assets	<u>\$ 7,837</u>	<u>\$ 7,575</u>
<b>CAPITAL AND LIABILITIES:</b>		
Capitalization:		
Common stock, \$5 par value, 150.0 shares authorized - 102.1 shares outstanding	\$ 511	\$ 511
Other paid-in capital, principally premium on common stock	702	702
Retained earnings	1,484	1,477
Accumulated other comprehensive income (loss)	(61)	(58)
Total common stockholder's equity	2,636	2,632
Preferred stock not subject to mandatory redemption	113	113
Long-term debt, net	1,765	1,687
Total capitalization	4,514	4,432
Current liabilities:		
Current maturities of long-term debt	141	130
Short-term debt	177	250
Intercompany notes payable	169	15
Accounts and wages payable	164	348
Taxes accrued	212	118
Other current liabilities	103	96
Total current liabilities	966	957
Accumulated deferred income taxes	1,290	1,344
Accumulated deferred investment tax credits	118	121
Regulatory liabilities	108	121
Asset retirement obligations	397	174
Accrued pension liabilities	268	252
Other deferred credits and liabilities	176	174
Total Capital and Liabilities	<u>\$ 7,837</u>	<u>\$ 7,575</u>

See Notes to Consolidated Financial Statements.

**UNION ELECTRIC COMPANY**  
**CONSOLIDATED STATEMENT OF INCOME**  
(Unaudited, in millions)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2003	2002	2003	2002
<b>OPERATING REVENUES:</b>				
Electric	\$ 616	\$ 654	\$ 1,171	\$ 1,188
Gas	20	18	85	68
Total operating revenues	<u>636</u>	<u>672</u>	<u>1,256</u>	<u>1,256</u>
<b>OPERATING EXPENSES:</b>				
Fuel and purchased power	122	132	263	276
Gas	13	10	52	42
Other operations and maintenance	188	207	374	391
Depreciation and amortization	71	69	141	141
Income taxes	59	63	97	91
Other taxes	54	55	107	107
Total operating expenses	<u>507</u>	<u>536</u>	<u>1,034</u>	<u>1,048</u>
<b>OPERATING INCOME</b>	129	136	222	208
<b>OTHER INCOME AND (DEDUCTIONS):</b>				
Allowance for equity funds used during construction	-	1	-	2
Miscellaneous, net -				
Miscellaneous income	8	17	9	23
Miscellaneous expense	(2)	(29)	(3)	(31)
Income taxes	(2)	9	(2)	8
Total other income and (deductions)	<u>4</u>	<u>(2)</u>	<u>4</u>	<u>2</u>
<b>INTEREST CHARGES:</b>				
Interest	27	27	53	54
Allowance for borrowed funds used during construction	(1)	-	(2)	(2)
Net interest charges	<u>26</u>	<u>27</u>	<u>51</u>	<u>52</u>
<b>NET INCOME</b>	107	107	175	158
<b>PREFERRED STOCK DIVIDENDS</b>	<u>2</u>	<u>2</u>	<u>3</u>	<u>4</u>
<b>NET INCOME AFTER PREFERRED STOCK DIVIDENDS</b>	<u>\$ 105</u>	<u>\$ 105</u>	<u>\$ 172</u>	<u>\$ 154</u>

See Notes to Consolidated Financial Statements.