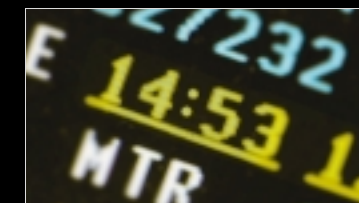
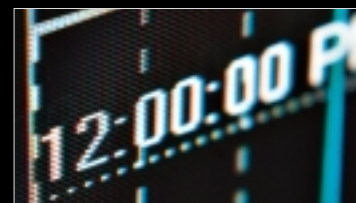




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Ameren 2003 Annual Report



2003 Annual Report

7:23 am

May 6, 2003. Linemen scramble to restore service after severe thunderstorms hit Ameren's service territory.

As storms continue over the next week, crews restore power to hundreds of thousands of customers.

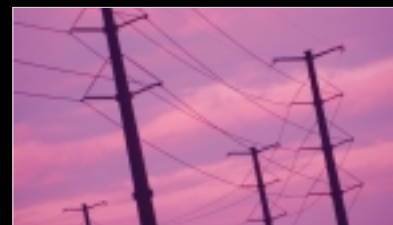
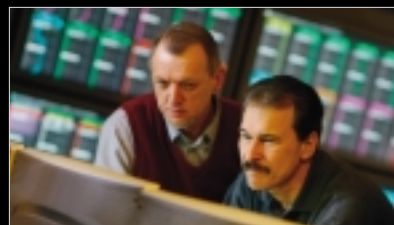


(For more on Ameren's storm response, see page 10)

3:10 pm

Aug. 14, 2003. Energy Supply Operations employees monitor Ameren's system as the East Coast blackout

begins. Despite the highest frequency disturbances it has ever seen, Ameren's system holds.



(For more on Ameren and the East Coast blackout, see page 13)

9:49 am

Nov. 25, 2003. Labadie Unit 3 returns to service at the end of a scheduled maintenance outage – the first

unit in the Ameren system to move to a four-year outage schedule.



(For more on Ameren's outage management strategy, see page 14)

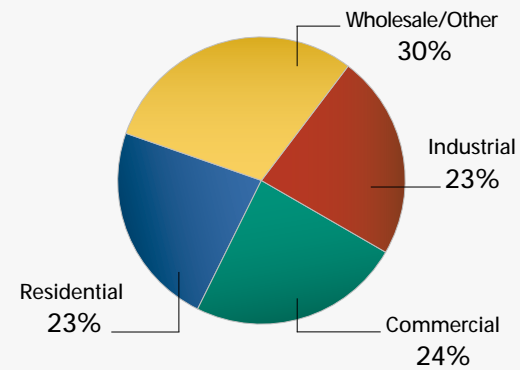
FINANCIAL DATA

FINANCIAL HIGHLIGHTS

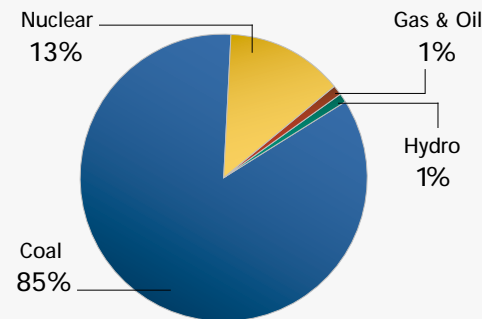
Ameren Consolidated (In Millions, Except Per Share Amounts and Customer Data)	2003	2002
Operating Revenues	\$4,593	\$3,841
Net Income (a)	\$475	\$440
Earnings per Common Share (a)	\$2.95	\$3.01
Dividends Paid per Common Share	\$2.54	\$2.54
Dividend Yield (December 31)	5.5%	6.1%
Market Price per Common Share (December 31)	\$46.00	\$41.57
Total Market Value of Common Shares	\$7,492	\$6,404
Book Value per Common Share	\$26.73	\$24.94
Property and Plant (net)	\$10,917	\$9,492
Total Assets	\$14,233	\$12,151
Capitalization Ratios:		
Common Equity	47.5%	51.6%
Preferred Stock	2.0%	2.6%
Debt, Net of Cash	50.5%	45.8%
Native Kilowatt-hour Sales	63,258	55,586
Total Kilowatt-hour Sales	77,781	70,339
Net Generation (in kilowatt-hours)	73,348	65,984
Electric Customers	1,700,000	1,500,000
Gas Customers	500,000	300,000

(a) Excludes cumulative effect of change in accounting principle in 2003 of \$18 million, net of taxes (11 cents per share) as described in Note 1 of the Consolidated Financial Statements. Also excludes unusual gain in 2003 related to the settlement of a dispute over certain mine reclamation issues with a coal supplier of \$31 million, net of taxes (19 cents per share) and unusual charges in 2002 for workforce reductions and suspension of operations or closure of units at two power plants of \$58 million, net of taxes (40 cents per share), as described in Note 7 of the Consolidated Financial Statements. Net income excluding these items is a non-GAAP measure.

KILOWATTHOUR SALES



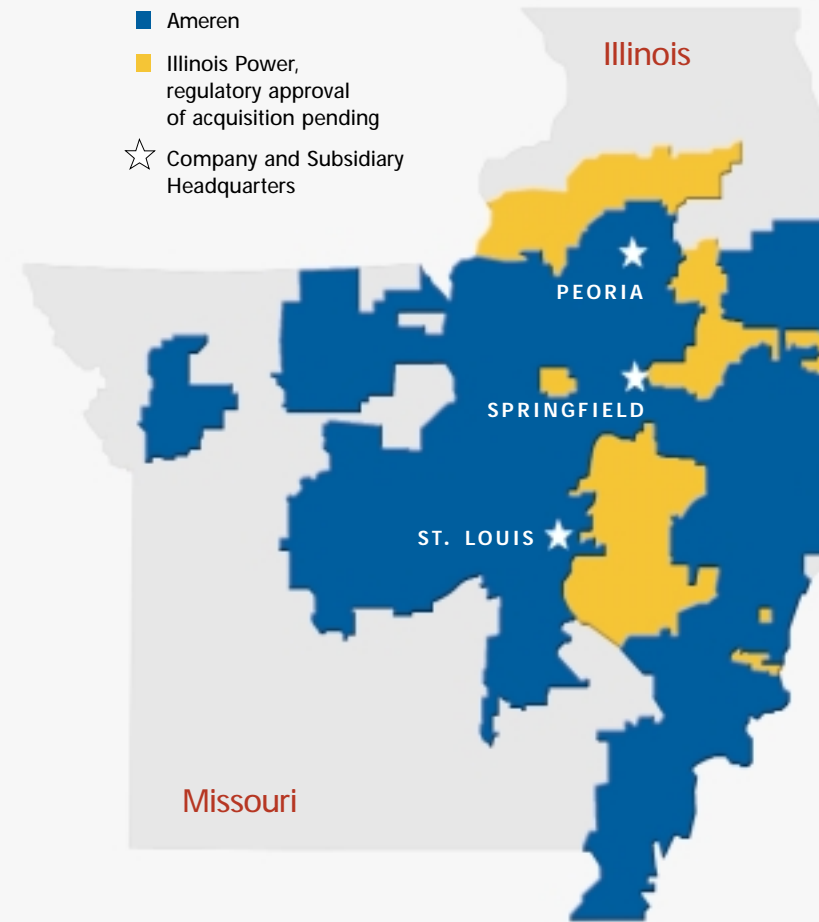
FUEL MIX BASED ON GENERATION



Top: Ameren's diverse sales mix offers more stable and predictable sales, compared to companies with sales concentrated in only one or two customer segments.

Bottom: Ameren is the 4th largest coal buyer in the nation, providing significant purchasing leverage and more stable pricing relative to other fuel choices.

AMEREN CORPORATION ELECTRIC AND GAS SERVICE TERRITORY

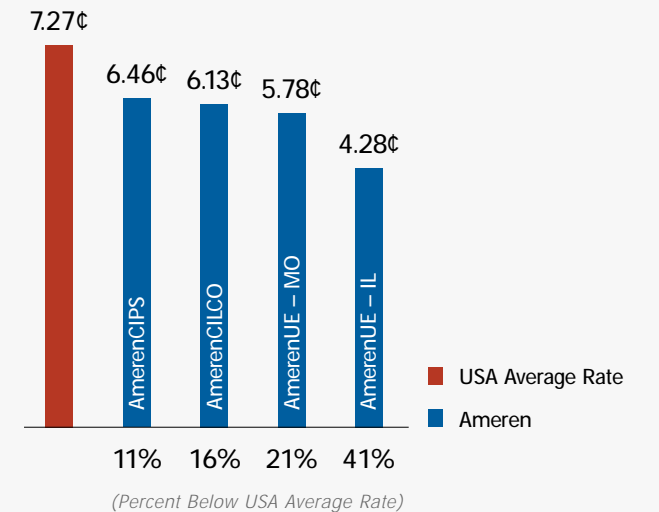


With Ameren's 2003 acquisition of CILCORP Inc., the company's service territory grew to include 49,000 square miles in Missouri and Illinois. In early 2004, Ameren announced an agreement to purchase the stock of Illinois Power.

Ameren today is the largest electric utility in Missouri, the second largest electric utility in Illinois and among the largest distributors of natural gas in Illinois.

COMPETITIVE ELECTRIC RATES

(Per Kilowatt-hour)



Ameren's operating companies' annual average revenue per kilowatt-hour at June 30, 2003, was consistently below the national average revenue per kilowatt-hour over the same period. These competitive rates mean that, in total, Ameren companies' average rates were nearly 20 percent below the national average.

TO MY FELLOW SHAREHOLDERS,

Since this is my first letter to shareholders as chairman and chief executive officer, I would like to begin by giving you a sense of our approach to business. Certainly, you all know that we are a utility company, but in the last few years utilities have gone in so many directions that the definition of a "utility" has become blurred.

Let's start from an investor's point of view. At Ameren, we believe that our shareholders invest in this company primarily to safeguard their capital and achieve a reliable and sustainable source of income. Therefore, we will manage our company in a way that will safeguard your capital and provide you a reliable and sustainable source of income. Consider this

I believe our strong performance is a direct result of our emphasis on conservative and disciplined financial management.

recognition of your goals as the first principle of how we intend to do business. Ameren is not a "growth" company, in the sense that growth is our main objective, and we are not willing to accept the business risk necessary to become a "growth" company. We are primarily about safety and yield.

In 2003, we delivered a dividend yield of nearly 6 percent – a level that earned us a ranking among the top utilities in the United States. I am disappointed that we were not number one. However, let's all remember that a high yield can be a mixed blessing. Some companies produce a high yield only because their stock price has declined without a corresponding reduction in the dividend. Despite utility sector volatility, our stock price increased from \$41.57 at the end of 2002 to \$46.00 at the end of 2003. In fact, over the last five years our total return to shareholders was 10 percent better than the S&P 500® and 20 percent better than the S&P electric utility group. I believe this performance is a direct result of our emphasis on conservative and disciplined financial management. That has been Ameren's approach to business throughout Chuck Mueller's tenure as CEO, and I can assure you that I intend to follow that same path.

Second, as a new CEO, I have given some thought to how I can add value in this new role. In my view, one aspect of this job clearly rises above all others – to safeguard the character and reputation of our company. I am fortunate in this regard in that no damage control is necessary at Ameren. Chuck Mueller has spent the last decade of his career strengthening Ameren's reputation. Under Chuck's leadership, we have become known as a company that

Charles W. Mueller, right, retired as chairman and chief executive officer of Ameren Corporation on Dec. 31, 2003. On Jan. 1, 2004, Gary L. Rainwater, left, succeeded Mueller as chairman and chief executive officer. Under Mueller, Ameren's revenues more than doubled to \$4.5 billion, and the company's customer base grew to 2.2 million. Rainwater, a 25-year company veteran, was elected vice president in 1993. In 1997, he became president and CEO of AmerenCIPS, and in May 2000, he assumed additional responsibility for Ameren's non rate-regulated generating subsidiary. He was named president and chief operating officer of Ameren Corporation in 2001.



Ameren's Senior Management Team: (seated, from left) Thomas R. Voss, Senior Vice President, Generation, and President, AmerenEnergy and AmerenEnergy Resources; Warner L. Baxter, Executive Vice President and Chief Financial Officer; Gary L. Rainwater, Chairman and Chief Executive Officer; and Daniel F. Cole, Senior Vice President, Administration; (standing, from left) Garry L. Randolph, Senior Vice President and Chief Nuclear Officer; David A. Whiteley, Senior Vice President, Energy Delivery; and Steven R. Sullivan, Senior Vice President, Governmental/Regulatory Policy, General Counsel and Secretary.

7:23 am

“Between May 6 and 12, we saw it all – tornadoes, lightning, hail, high winds, broken poles, downed conductors – you name it. It was the worst storm damage we’ve seen in 25 years.” Manager of Distribution Operating Dave Wakeman



A month after the May storms, another round of severe weather affected service for about 269,000 AmerenUE customers; 230,000 were restored within the first 24 hours. “Our work last spring was an all-out team effort,” Wakeman says. “This was the first test of the three operating companies’ ability to work together in a crisis. When one company’s crews would finish their work, they’d come to help one of the other companies out – until the next wave hit back in their home territory.”

acts responsibly and delivers on its promises. To wrap this into a single word, we strive to be a company that operates with “integrity.”

What does integrity really mean? It means that we will speak clearly and tell the truth. It means that we will be good stewards of your investment. It means that we will do our best to deliver on promises – like those we have made to safeguard your capital and provide you with a reliable income stream. It means that we will manage our company in a way that allows you, us, and our directors to sleep at night. It means that we believe that the reputation of our company is critical to our long-term success.

Of course, actually running a highly efficient, low-cost electric and gas utility is important too. In that regard, Ameren’s track record speaks for itself. Our electric rates are among the lowest in the nation. In fact, St. Louis now enjoys some of the lowest electric rates of any major metropolitan area in the United States. At the same time, our customer service and satisfaction ratings are also among the best in our industry. We have not sacrificed customer service just to make a buck – we’ve struck a balance between the two.

What has made this level of performance possible? At least two things. The first is focus. We strive to be the

most singularly focused utility company in our industry.

At Ameren, we know that our mission is to:

- Efficiently generate electricity,
- Reliably deliver electricity, and
- Safely distribute natural gas.

That’s what we do best. And we do this only within Missouri, Illinois and the surrounding markets that we know best. We are not interested in becoming a global utility or a catalyst for transforming our industry. We keep it simple.

St. Louis now enjoys some of the lowest electric rates of any major metropolitan area in the United States, while our customer service and satisfaction ratings are among the best in our industry.

Second, we distinguish ourselves from others by performing this mission extremely well. Our people understand the nuts and bolts of the utility business and are committed to continuously improving performance in all areas. “Commitment” is the key word. That’s what makes the difference between just showing up and winning the race.





3:10 pm

“We knew something was very wrong with the grid that afternoon. We could see a huge increase in energy flow coming from the north and northeast.” Supervising Engineer Gary Fuerst

Looking back over the past few years, it is very clear that this simple and focused approach to business has served us well. There were times, however, when this was not so clear. Many in our industry were tempted to follow the lead of companies like Enron. While we considered similar strategies, we ultimately rejected them. We decided to stay the course, keep our business plan simple and remain among the most focused utilities in the business. I make this point to stress that our senior management team has learned from this successful decision, which is a much better way than learning from failure. We are more convinced than ever that our current course is the correct course.

and keeping the business simple. One option that fits our business model is to grow earnings through acquisition of similarly focused utility businesses – companies that can be very quickly folded into the Ameren system to produce growth in earnings per share.

That’s the formula we successfully followed in our merger with CIPSCO Inc. in 1997 and our acquisition of CILCORP Inc. in January 2003. Both were very successful, and in both cases we stuck to the principle of expanding our core business in the markets we know. Our ability to operate the basic utility business more efficiently than others is the primary method of creating merger savings and growth in earnings per share. This is a very basic approach to growth, and it works.

In fact, as I write this, we just announced that we have finalized an agreement to purchase the stock of Illinois Power from Dynegy. We expect this acquisition to be completed near the end of 2004 and to add 5 to 10 cents per share to Ameren’s earnings in 2005 and 2006.

Before closing, I’d like to mention a few highlights of 2003. Once again, our company achieved solid earnings during a very challenging year for our industry. The combination of an economic recession, mild to weak energy markets, rising benefit costs and, for us, declining electric rates, put extreme pressure

One option that fits our business model is to grow earnings through acquisition of similarly focused utility businesses – companies that can be very quickly folded into the Ameren system to produce growth in earnings per share.

While Ameren is not a “growth” company, we believe it is important for us to provide modest growth in earnings to remain competitive in the financial markets and provide the opportunity to both sustain, and potentially increase, your dividend. Significant growth, however, is very difficult to achieve without violating our principles of operational focus



Helping Fuerst and other Energy Supply Operations employees protect Ameren’s customers was a sophisticated system that collects grid data every two seconds, and plasma screens that display real-time generation supply and demand information. These data analysis tools give the company the power to assess changes and respond quickly. “Thanks to our highly sophisticated tools, expert staffing, strong communications, central location and 23 connections with other utilities, we maintained the reliability of Ameren’s system throughout the blackout that stretched across eight states and into Canada,” says Fuerst.



9:49 am

“Unit 3’s last outage was in 1999. In eight weeks during the fall of 2003, we did enough work to keep it running for the next four years.” Labadie Plant Manager David Fox



Effective outage management is key to maintaining the reliability and profitability of Ameren’s generating units. Ameren has dedicated a complete outage management organization to shortening the duration of plant maintenance outages while lengthening the amount of time between outages. “With the increasing competition and growing value of electricity in the marketplace, it’s critical today to have more megawatts available to sell, especially at peak demand periods,” says Fox. “By working more effectively during outages, we are working toward a goal of having no unplanned outages in the future.”



on earnings. Nevertheless, we earned \$3.25 per share in total, or \$2.95, excluding one-time gains. This enabled us to again pay a \$2.54 per share dividend. Ameren, through its predecessor companies, has now paid uninterrupted dividends since 1906, through two world wars and the Great Depression, without a single reduction in dividends.

In 2003, our generating plants virtually blew the doors off their past performance levels, producing more electricity in a single year than ever before. Several plants set individual all-time generation records, in spite of the fact that the average age of our plants is now more than 40 years.

In the spring of 2003, the worst series of storms in our history hit our service areas. At the peak, more than 350,000 customers were without power. However, our crews restored service in record time. And following the outages, our customer service and satisfaction ratings actually increased – a testament to the hard work and the positive impression our crews made with customers.

On August 14, 2003, we kept the lights on. This is not a frivolous comment. On that day in August, a blackout occurred that plunged eight states and parts of Canada into darkness. That blackout extended well into the Midwest. While it experienced the highest frequency disturbances we’ve ever seen, our system held.

Thanks to the Ameren employees who appeared in the 2003 Annual Report: Clayton Adams, Ken Adler, Jim Brielmaier, Bob Bryant, Dave Burns, Jim Dean, Paul Dieckhaus, John Fedchak, Bernie Kutz, Bob LaPlant, Jean Mason, Tom Prine, Robert Richardson, Doug Sheffler, Dennis Simmons, Steven Steinbeck, Randy Taylor and Heath Whiteside.

Our long record of operation without a system blackout still stands. Simply put, 2003 was a very good year for our stakeholders.

However, 2003 also marked the death of Hanne M. Merriman, who since 1990 served as a member of the boards of Central Illinois Public Service Company and then Ameren, following our merger in 1997. Mrs. Merriman was a principal of Hanne Merriman Associates – a retail business-consulting firm. Her consistently strong counsel will be missed.

Ameren, through its predecessor companies, has now paid uninterrupted dividends since 1906, through two world wars and the Great Depression, without a single reduction in dividends.

Finally, our annual shareholder meeting will be held at 9 a.m. on April 27, 2004, at Powell Symphony Hall in St. Louis. I certainly encourage you to attend, meet our Ameren management team and allow us to address your questions.

Gary L. Rainwater

Chairman, President and Chief Executive Officer