1999 ANNUAL REPORT

We’re on our way
ABOUT US
Alliant Energy Corporation is a growing energy services provider with operations both domestically and internationally. Headquartered in Madison, Wis., Alliant Energy provides electric, natural gas, water and steam services to more than two million customers worldwide. Alliant Energy Resources, Inc., the holding company of the company’s nonregulated businesses, has operations and investments throughout the United States as well as in Australia, Brazil, China, Mexico and New Zealand.

OUR VISION
Creating energy and environmental partnerships and solutions that increase the comfort, security and productivity of our customers around the world.

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The common stock of Alliant Energy Corporation is publicly traded on the New York Stock Exchange under the symbol LNT.

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## FINANCIAL HIGHLIGHTS

(Dollars are in millions except for per share data)

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<th>1999</th>
<th>1998</th>
<th>Change</th>
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<tr>
<td><strong>OPERATING RESULTS:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Operating revenues</td>
<td>$2,198</td>
<td>$2,131</td>
<td>3%</td>
</tr>
<tr>
<td>Operating income</td>
<td>$377</td>
<td>$283</td>
<td>33%</td>
</tr>
<tr>
<td>Net income before merger-related charges</td>
<td>$197</td>
<td>$131</td>
<td>50%</td>
</tr>
<tr>
<td>Net income</td>
<td>$197</td>
<td>$97</td>
<td>103%</td>
</tr>
<tr>
<td>Return on average common equity before merger-related charges</td>
<td>10.45%</td>
<td>8.01%</td>
<td>30%</td>
</tr>
<tr>
<td>Return on average common equity</td>
<td>10.45%</td>
<td>5.98%</td>
<td>75%</td>
</tr>
<tr>
<td>Utility electric sales from ultimate customers (thousands of MWh)</td>
<td>25,320</td>
<td>24,487</td>
<td>3%</td>
</tr>
<tr>
<td>Total utility electric sales (thousands of MWh)</td>
<td>31,048</td>
<td>31,834</td>
<td>(2%)</td>
</tr>
<tr>
<td>Utility gas sold and transported (thousands of dekatherms)</td>
<td>101,575</td>
<td>104,034</td>
<td>(2%)</td>
</tr>
<tr>
<td>Construction and acquisition expenditures</td>
<td>$479</td>
<td>$372</td>
<td>29%</td>
</tr>
<tr>
<td>Total assets at year-end</td>
<td>$6,076</td>
<td>$4,959</td>
<td>23%</td>
</tr>
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**PER SHARE DATA:**

<table>
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<tr>
<th></th>
<th>1999</th>
<th>1998</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per average common share before merger-related charges (basic and diluted)</td>
<td>$2.51</td>
<td>$1.71</td>
<td>47%</td>
</tr>
<tr>
<td>Earnings per average common share (basic and diluted)</td>
<td>$2.51</td>
<td>$1.26</td>
<td>99%</td>
</tr>
<tr>
<td>Average number of common shares outstanding (in thousands)</td>
<td>78,352</td>
<td>76,912</td>
<td>2%</td>
</tr>
<tr>
<td>Book value at year-end</td>
<td>$27.29</td>
<td>$20.69</td>
<td>32%</td>
</tr>
</tbody>
</table>

The financial data should be read in conjunction with the audited financial statements and related notes of Alliant Energy Corporation which are contained in 1999 Financial Information. The reported financial data are not necessarily indicative of future operating results or financial position.

* The 1997 and 1998 financial results reflect earnings per average common share before merger-related charges.
Alliant Energy subsidiaries, IES Utilities Inc., Interstate Power Co. and Wisconsin Power and Light Co., serve more than 1.3 million customers in Iowa, Illinois, Minnesota and Wisconsin. Using a mix of fossil fuel, hydroelectric, nuclear, biomass and wind sources, we manufacture and market electric energy from 31 generation locations across the Midwest. Our customers enjoy some of the lowest electricity costs in the Midwest and in the nation.

**SERVICE TERRITORY**
More than 1,000 communities in Iowa, Wisconsin, Minnesota and Illinois.

**UTILITY OPERATIONS**
Maximum peak hour demand . . . . . . 5,233 megawatts
Generating facilities . . . . . . . . . . . . . . . . . . . . . . . . 31
Miles of electric transmission line . . . . . . . . . 9,797
Miles of electric distribution line . . . . . . . . . 44,690
Miles of natural gas main . . . . . . . . . . . . . . . . . . . . . 8,403
Utility electric sales from ultimate customers . . . 25.32 million megawatt-hours
Total utility electric sales . . . . . . . . . . . . . . . . . . . . 31.05 million megawatt-hours
Utility gas sold and transported . . . . . . . . . . . . . . . . 102 million dekatherms

**ELECTRIC SALES MIX**

**RESOURCES OF CORPORATE REVENUE**

**RESOURCES OF UTILITY OPERATING REVENUE**

**RESOURCES OF ELECTRIC ENERGY**

**MIX OF ELECTRIC ENERGY SOURCES**

- Coal and gas
- Nuclear
- Renewable
- Other
- Other

**SOURCES OF REVENUE**

- Electric
- Commercial
- Industrial
- Nuclear
- Sales for resale
- Purchased
Alliant Energy INDUSTRIAL SERVICES COMPANY (ISCO) helps businesses worldwide to increase their productivity, profitability and operating efficiency through providing key core services including:

- **Energy Applications** — facility-based energy solutions ranging from standby generation to steam production;
- **Energy Planning** — consultation on smart energy procurement, pricing and use;
- **Energy Management** — cost effective electricity for wholesale and industrial customers and custom services in the transportation, storage, peaking, balancing and supply management of natural gas.

Environmental engineering and consulting — Offered through RMT, Inc., an ISCO subsidiary. Services include: remediation planning and implementation, environmental compliance, air quality assessment, site analysis and strategic environmental planning.

Alliant Energy TRADING is an energy-trading company capitalizing on the strengths of its parent companies, Alliant Energy and international commodity trader Cargill Incorporated. This joint venture was created to help a wide range of customers reliably reduce their electricity cost and better manage their energy risk. Other services include fuel supply management (coal, oil and natural gas), plant operations assistance and risk-management consulting. The alliance successfully combines Cargill’s proven skills in commodity procurement and trading with Alliant Energy’s experience in energy production and transportation.

Alliant Energy INVESTMENTS invests in value-producing businesses, which support our strategic focus and benefit communities in our service area. Investments include wholly-owned operating companies as well as investments in financially strong businesses and investment portfolios. Holdings include:

- **Oil and Natural Gas**: Acquisition and development of natural gas and oil properties through Denver, Colo.-based Whiting Petroleum Corporation.
- **Real Estate**: More than 100 affordable housing investments through Heartland Properties, Inc. and Capital Square Financial Corporation.
- **Transportation**: The Cedar Rapids and Iowa City Railway Company, El Barge Services and Williams Bulk Transfer provide rail, barge and storage services in Eastern Iowa.
- **Telecommunications**: Alliant Energy Resources holds shares of publicly traded McLeodUSA. The company’s initial investment of approximately $30 million has appreciated in value to over $1 billion (as of Dec. 31, 1999).

Alliant Energy is an increasingly global company. The maps on this page highlight the states and countries in which our subsidiaries have customers or own properties.

Alliant Energy INTERNATIONAL brings the experience and expertise of Alliant Energy to customers around the world. Currently Alliant Energy International has operations in China, New Zealand, Australia, Brazil and Mexico; from power generation to energy distribution, Alliant Energy International provides customers with customized energy solutions. Alliant Energy International builds partnerships around the globe, both with new international customers and with long-time United States customers who are expanding overseas. We also welcome our international partners by providing for their energy needs as they expand their operations into the United States.

Alliant Energy MASS MARKETING program lays the foundation for future success in a more competitive, “consumer choice” environment by offering energy-related products that enhance the comfort and security of residential and small-business customers. Key programs include the Security Blanket Appliance Protection Plan and the PowerHouse Home Products Catalog. The equity of the PowerHouse brand grows from its long-standing use in communications materials and a television program targeted toward residential utility customers.

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1999 was the first full year of operation for Alliant Energy. It was, without question, a good one for your company. With accelerating change and growing uncertainty in the energy-services industry, Alliant Energy focused on achieving short-term successes, while strategically positioning the company for even greater rewards in the future.

As a changing company in a changing industry, we faced many challenges in 1999. The first, of course, was to prove that the merger — which created Alliant Energy in 1998 — was capable of generating value for shareowners.

In this first full year of operations after our three-way merger, our earnings nearly doubled from $1.26 to $2.51 per share. Even after factoring out gains from the sale of seven percent of our stock holdings in McLeodUSA, a Cedar Rapids, Iowa-based telecommunications company, and 1998 merger costs, our 1999 earnings grew almost 30 percent from the previous year.

Alliant Energy employees also met and overcame many operational challenges during the year. In July, when hot and humid weather pushed electric demand to new heights, our skilled utility workforce responded with creative solutions that ensured the availability of power to our 1.3 million customers in the Upper Midwest.

Benefiting from several years of planning, Alliant Energy’s mission-critical operations also passed the Y2K date rollover with flying colors. The company was recognized as a leader in Y2K preparation, not only regionally, but nationally and internationally as well.

Amid ongoing organizational changes, new work rules, systems changes and operational challenges, your company’s unceasing commitment to safety was... and its employees received several prestigious safety awards for performance at both our Iowa and Wisconsin facilities.

Another challenge in 1999 was to make sure that internal changes did not adversely affect our customer service. In this we succeeded as well. Our rates remained low and our service quality remained high. We provided some of the lowest-priced energy in the Midwest and in the nation. At the same time, well-respected national surveys in 1999 ranked Alliant Energy highly in both residential and business customer satisfaction.

While we met the challenges of the present, we also continued to focus on the future. Our business strategy for the long term is straightforward. We will continue to reshape and grow our core utility business while at the same time, use our knowledge and experience to pursue faster-growing, less-regulated businesses. Our success in 1999 clearly validated this prudent approach.

The world truly did not stand still while we sought to implement new strategies and directions in 1999. We confronted many challenges and, for the most part, we overcame them. Until just a few months ago, for example, Alliant Energy’s strategic growth capability was limited by constraints under Wisconsin law. With help from many of you, our shareowners, as well as our employees and others, we worked with policymakers to substantially relax limits on utility holding companies’ ability to invest in diversified businesses.

Our earnings from those diver-
... diversified businesses also soared in 1999. Net income from diversified businesses, including $25.3 million from the McLeodUSA stock sale, jumped to $37.8 million compared to a net loss of $8.9 million in 1998.

In the course of the year, other significant milestones were achieved. Our investment in McLeodUSA grew more than threefold and was valued at over $1 billion at year's end. This strategic asset will afford us financing and growth flexibility that other energy companies lack.

Our domestic non-utility businesses, such as Whiting Petroleum Corporation, Cargill-Alliant Energy, the Cedar Rapids and Iowa City Railway Company, RMT, Inc., and Heartland Properties, Inc., also increased their profitability substantially over 1998 levels.

Our focus is not all short-term, however. Around the world, our holdings are establishing valuable footholds in markets where energy demand is expected to outstrip growth in the United States. In New Zealand, we realigned our holdings by selling, at a substantial profit, electric-distribution investments and strategically invested our returns in the more profitable generation and retail sectors. In Australia, we now own a 22-percent interest in Southern Hydro, a peaking hydroelectric generation station. And in Mexico, we captured a valuable opportunity to apply our energy and environmental expertise and develop the complete energy infrastructure for a new resort community now under construction.

In early 2000, we announced another exciting venture — our $347 million investment in a number of Brazilian distribution companies. By following our time-tested strategy of developing partnerships with local experts, we have invested in four electric distribution companies, serving more than 800,000 customers. With energy demand in Brazil projected to grow by six to eight percent annually, this investment should serve us well over time.

In summary, 1999 was a challenging year, but a very good one. We achieved exceptional and noteworthy results while, at the same time, positioned ourselves for future growth and even greater success.

We appreciate your continuing support and look forward to communicating the details of our journey in the years ahead.

Lee Liu
Chairman of the Board

Wayne H. Stoppelmoor
Vice Chairman of the Board

Erroll B. Davis Jr.
President and Chief Executive Officer

left to right: Wayne Stoppelmoor, Lee Liu and Erroll Davis
Our mission to strengthen and redefine Alliant Energy’s core utility business provided the driving direction for 1999. As our industry evolves to a customer-choice framework, everything we do must help distinguish Alliant Energy both for the products and services we provide and the manner in which they’re provided.

That new, competitive world requires us to expand our thinking about utility operations. Traditionally, power plants, high-voltage transmission equipment and distribution lines to the customer were all owned by one company. Market pressures will increasingly demand that these services separate into stand-alone elements. One company may generate the power, another may transport it across high-voltage wires and yet another may deliver and measure energy usage and manage billing. As energy companies compete, customers will be offered a plethora of new choices in products and services.

In 1999, Alliant Energy and three other Midwest utilities formed a Nuclear Management Company (NMC) to pool the skills and resources from five nuclear power plants. The NMC will focus on sustaining long-term safety, optimizing reliability and reducing costs while improving the operational performance of the nuclear facilities, which continue to be owned by their predecessor company.

The passage of Wisconsin’s “Reliability 2000” Act will bring a similar consolidation in electric transmission operations. Under the new law, major Midwest utilities are encouraged to combine their high-voltage transmission lines and related facilities to form an independent transmission company. This new, for-profit entity will manage the systems, develop solutions for reliability challenges, provide fair and open access to transmission facilities and will standardize pricing.

Winning customers through exceptional service is another hallmark of companies that succeed in competitive markets. Alliant Energy employees continued to demonstrate their exceptional skills in meeting our customers’ ever-changing needs. Our efforts were recognized in 1999 by two highly respected national customer surveys. One survey ranked Alliant Energy ninth out of 78 electric utilities.
nationwide for residential customer satisfaction. Respondents also rated Alliant Energy’s customer call centers second in the Midwest for overall satisfaction. Results from another national survey placed us in the top 25 percent for overall satisfaction among commercial and industrial customers.

To gain continuous quality improvement, Alliant Energy establishes “best in class” performance measures for its technical field staff. In 1999, this group performed at or near the top of their goals for reducing natural-gas emergency response time, gas leak repairs, billing accuracy and lost-time accidents. This year we also began using new

“Our three utility subsidiaries provide electricity and natural gas to 1.3 million customers at some of the lowest prices in the Midwest and in the nation. To meet growing demand we are expanding our portfolio of energy sources. In keeping with our environmental commitment, many of these are renewable.”

Bill Harvey
Executive Vice President/Generation
President, Alliant Energy/Wisconsin Power and Light
Complementing our high-quality service, our three utility subsidiaries continue to provide low-cost electricity and natural gas at some of the lowest prices in the Midwest and in the nation. As customer demand grows, we continue to expand our portfolio of energy sources. In keeping with our environmental commitment, many of these sources are renewable, such as biotans, wind, hydroelectric and reclaimed industrial sludge.

Along with our efforts to develop renewable energy sources, we also help customers use energy more efficiently. Through our energy conservation programs, Alliant Energy helped customers use 220,000 fewer megawatt-hours of electricity and 800,000 fewer dekaliters of natural gas in 1999. We have an excellent record of achieving energy conservation targets and administering those programs in a cost-effective manner.

Financially, our utility operations turned in a strong performance in 1999. Excluding 1998 merger-related expenses, net income increased 14 percent over last year. At the heart of this financial success is operational excellence, which can be found throughout Alliant Energy’s fleet of power plants.

At the Duane Arnold Energy Center — Iowa’s only nuclear plant — employees earned high marks from the Nuclear Regulatory Commission and a second consecutive excellence award from the Institute for Nuclear Power Operations. While celebrating 25 years of operations, the unit also completed its sixth year (equal to over seven million employee hours) without a lost-time accident.

The Columbia Energy Center in Portage, Wis. — our largest coal-fired power plant — also was recognized for its operational excellence. In a study examining 413 coal-fired plants nationwide, Columbia rated among the top 28 facilities in the country for labor efficiency, economic performance and environmental compliance.

To position our generation fleet for future success, we implemented staffing changes in 1999 that will help us meet the demands of the new competitive environment. Through a new initiative in our Generation business unit, we emphasize cross-training to allow our employees to benefit from expanding their skills and help the company meet its diverse operational needs with greater flexibility.

Such changes are only the beginning. A new energy world is coming. Change will continue to pervade our industry. Alliant Energy will be at the heart of the evolution, helping to shape decisions and make positive changes that benefit our customers and shareowners.

Clean energy. Alliant Energy currently receives up to 120 megawatts of energy from wind farms throughout Iowa and Wisconsin. That’s enough energy to power 36,000 homes.
In 1999 Alliant Energy employees served our customers well. Highly respected national surveys ranked Alliant Energy ninth out of 78 electric utilities nationwide for residential customer satisfaction and in the top 25 percent for business customer satisfaction.

“Satisfied customers are loyal customers. We will continue to earn our record of service excellence. Very soon customers will choose their energy company. We want that choice to be Alliant Energy.”

Eliot Protsch
Executive Vice President-Energy Delivery
President, Alliant Energy/IES Utilities

Mercy Medical Center in Cedar Rapids, Iowa, is working with Alliant Energy to enhance its steam and electric infrastructure. Pictured on site at Mercy Medical Center are (background, left to right) Bob Olberding, director of facilities, Mercy Medical Center; Mike Goater, manager of Cedar Rapids steam utility, Alliant Energy; (foreground) Eliot Protsch, Shawn Haag, executive vice president, Mercy Medical Center; and Mike Goater, account manager, Alliant Energy.
To create greater shareholder value in a rapidly changing marketplace, Alliant Energy continues to leverage its energy-services expertise in new ways. Alliant Energy Resources — the parent company of our non-utility holdings — is the vehicle through which we bring our collective expertise to emerging new markets. In 1999, net income for this business unit was $37.8 million, including $25.3 million from the sale of McLeodUSA stock, compared to a net loss of $8.9 million in 1998.

Among Alliant Energy Resources’ most successful ventures is our investment in telecommunications provider McLeodUSA. Back in 1993, when Alliant Energy Resources made the first of its investments, we knew McLeodUSA had great potential. Today, that potential is being realized and our initial investment of $30 million in shares is now worth more than $1 billion (as of Dec. 31, 1999). With the rapid growth of this investment, Alliant Energy is uniquely positioned to fuel promising diversified ventures, enabling us to move decisively and effectively into new markets.

Seeking to take advantage of international markets where energy demand is growing far more rapidly than here at home, Alliant Energy Resources has made a number of selective and successful investments. Complementing our existing investments in two combined heat and power plants in China, a new $37 million investment in Singapore-based Peak Pacific Investment Company Ltd. adds two additional facilities to our China portfolio, with one more under construction. In New Zealand we expanded our holdings and realigned our interests. In partnership with Infrastructure & Utilities NZ Ltd. (Infratil) we now own 43 percent of TrustPower Ltd., a major electricity-generation and retail company. Building on our valued partnership with Infratil, we have gained a foothold in Australia’s rapidly privatizing utility industry. In early 2000, Alliant Energy Resources finalized its investment in Southern Hydro — a 479 megawatt hydroelectric-generating facility in the state of Victoria.

Also in 2000, we invested $347 million in Latin America in partnership with one of Brazil’s
most respected energy companies — Companhia Força E Luz Cataguazes-Leopoldina. Our holdings include significant equity stakes in four local electric-distribution companies in Brazil, serving more than 800,000 customers. The investment also will provide capital for that company’s subsidiary, Energisa S.A., to participate in the future privatization of utilities in northeast Brazil. In pursuing this significant investment, Alliant Energy Resources partnered with an established leader in Brazil’s utility industry to obtain a sound investment at a good value, with a shareholder agreement that provides important protections for our company.

Our investment portfolio spans several sectors, from transportation, real estate and oil-and-gas production to energy-management and environmental and engineering consulting. Net income from our Denver, Colo.-based Whiting Petroleum Corporation was $31 million in 1999, which included ongoing gains from the sale of properties. Although electricity continues to be one of the most volatile commodities traded today, our energy-trading joint venture with international commodity trader Cargill Incorporated performed strongly last year.

Some of our most established diversified businesses also performed well in 1999. The achievements of our Cedar Rapids and Iowa City Rail- way Company (CRANDIC) are particularly noteworthy, with increased profits once again. In addition, this subsidiary was recognized as one of the best railroad operations in the nation — regardless of size — by the National Association of Railroad Shippers. Improved operations at RMT, Inc. yielded a significant increase in profitability in 1999. Based in Madison, Wis., the respected firm provides environmental management and engineering services to businesses and industries throughout the nation. Our investment portfolio spans several sectors, from transportation, real estate and oil-and-gas production to energy-management and environmental and engineering consulting.

Our investment portfolio spans several sectors, from transportation, real estate and oil-and-gas production to energy-management and environmental and engineering consulting.
United States and Europe. RMT is just one part of our industrial services company, also known as ISCO, which provides energy-planning and energy-management services to customers throughout the United States and abroad. Through ISCO we brought our knowledge of energy systems and infrastructure development to a new market in northwest Mexico. At Laguna Del Mar, in the state of Sonora, we are constructing new electric, water, telephone and transportation systems. We will not only serve as the general contractor and designer for these systems, but also will manage the services once they are completed.

Heartland Properties, Inc. and its sister company, Capital Square Financial Corporation, continued to develop and manage affordable housing properties across our utility service territory. Our portfolio of properties not only strengthens our commitment to local communities, but also provides Alliant Energy with a steady stream of tax credits worth about $6 million annually. Although the nonregulated retail energy-services market is evolving more slowly, Alliant Energy is committed to building bridges to key markets: residential and small-business customers. Our PowerHouse Home Products Catalog provides a unique inroad to this customer base through a direct-mail catalog with an online counterpart. In 1999 the PowerHouse Home Products Catalog achieved its customer-response targets, with significant growth from Internet orders.

There is no doubt that change demands flexibility. New markets and changing market conditions, combined with ambitious goals require skill and agility. Our goals are ambitious, but we have the talent and confidence to meet them. With an innovative spirit and a strong commitment to excellence, Alliant Energy Resources will provide increasingly greater contributions to the bottom line and valued services to our customers.
“In our first full year of operations, we began executing our strategic plan and delivered significant earnings growth. Our financial strength, fortified by a strong balance sheet and the McLevoUSA investment, primes us to grow.”

Tom Walker
Executive Vice President and
Chief Financial Officer
As we first noted several years ago, yesterday’s electric and natural gas monopolies are clearly vanishing. In fact, in the last five years, 23 states have taken legislative or regulatory action to allow customers to choose their own electricity provider. Alliant Energy supports choice and competition and believes it will benefit consumers.

It is only a matter of time and market pressure. States without customer choice may still yet determine the when and how of incorporating it. But customer choice is here to stay. And we will be involved to assure the most prudent future for our company, our customers and you, our shareowners.

In Iowa, for example, we are working with the governor and the legislature to help shape customer choice legislation. In 2000 we fully expect the Iowa legislature to seriously consider customer choice. In preparation, we joined forces with several energy suppliers and other interested parties in 1999 to host consumer forums on the issue. As over half of our utility revenues come from Iowa, we are working to ensure that the restructured marketplace enables us to continue delivering value to our customers as well as to our shareowners.

In Wisconsin a significant milestone was reached this year when Gov. Tommy G. Thompson signed the “Reliability 2000” legislation into law. With help from our shareowners, employees and many other constituents, we worked with policymakers to substantially relax Wisconsin’s limits on our ability to invest in diversified businesses. The legislation’s passage in October 1999 modified the asset cap provision that placed an artificial growth ceiling on our nonregulated businesses. With the bill’s approval, we believe a major obstacle to our future success was removed.

A similar battle now awaits us at the federal level. Efforts are already underway to change the investment limitations imposed by the Public Utility Holding Company Act. Current law imposes an arbitrary limit on investments in foreign utility companies and other energy-generation business areas that Alliant Energy considers essential for its future growth. We believe that this legislation must be adjusted to reflect conditions in the energy-services market of today and tomorrow, where flexibility and speed will be key to success. We have set a course to make that happen.

FUTURE OUTLOOK
CHANGING OUR REGULATORY LANDSCAPE

New law relieves “asset cap.”
In October 1999 Gov. Tommy G. Thompson signed the “Reliability 2000” legislation which relaxed Wisconsin’s asset cap and enhanced Alliant Energy’s ability to invest in diversified businesses. Pictured above: Bill Jordahl, manager-Federal and State Legislative Affairs for Alliant Energy, Gov. Thompson, and Bill Narrey, president, Alliant Energy-Wisconsin Power and Light.
Growing concerns about environmental issues also pose challenges for us in the years ahead. Increasing regulations around sulfur-dioxide and nitrogen-oxide emissions directly impact power plants. In keeping with our environmental stewardship, we will continue to work collaboratively with elected officials at all levels of government. We will encourage them to adopt prudent policies that balance valid scientific data with the impacts of new practices on customers, shareholders and the environment.

"IN THE LAST FIVE YEARS 23 STATES HAVE TAKEN STEPS TO ALLOW CUSTOMERS TO CHOOSE THEIR OWN ELECTRICITY PROVIDER. CUSTOMER CHOICE IS HERE TO STAY. AND WE WILL BE INVOLVED TO ASSURE THE MOST PRUDENT FUTURE FOR OUR COMPANY, OUR CUSTOMERS AND YOU, OUR SHAREOWNERS."

Barbara Swan
Executive Vice President and General Counsel
IT’S NO SECRET THAT OUR BUSINESS ENVIRONMENT IS CHANGING. OUR SUCCESS REQUIRES MORE THAN HARD WORK AND SOLUTIONS THAT HAVE WORKED IN THE PAST. THROUGH ADAPTING AND EVOLVING, WE ARE DELIVERING THE RESULTS OUR CUSTOMERS AND SHAREOWNERS EXPECT.

Pamela Wegner
Executive Vice President-Corporate Services
President, Alliant Energy Corporate Services

Alliant Energy takes very seriously its role as a good corporate citizen. Our people make the difference. They serve customers efficiently, deliver energy reliably and create shareowner value in a changing energy marketplace.

With the Y2K project now behind us, we are channeling our technological expertise into projects that will even more directly benefit our customers and shareowners. For example, online access to utility accounts will soon be available to all customers. And upgrades to our company’s major operating systems will selectively access Internet-based programs to increase the speed and efficiency with which we work in areas such as administration, human resources and purchasing.

Even the best systems, however, are only as strong as the people who create and use them. At Alliant Energy, our commitment to a diverse workforce is not only the right thing to do, it makes good business sense in our increasingly international marketplace. It is our belief that Alliant Energy will be most profitable when a range of talents and perspectives are brought to

FUTURE OUTLOOK

SUPPORTING PEOPLE, BUILDING COMMUNITIES

"IT’S NO SECRET THAT OUR BUSINESS ENVIRONMENT IS CHANGING. OUR SUCCESS REQUIRES MORE THAN HARD WORK AND SOLUTIONS THAT HAVE WORKED IN THE PAST. THROUGH ADAPTING AND EVOLVING, WE ARE DELIVERING THE RESULTS OUR CUSTOMERS AND SHAREOWNERS EXPECT."

Pamela Wegner
Executive Vice President-Corporate Services
President, Alliant Energy Corporate Services
bears on the challenges we face. We promote this objective through an active Diversity Council, comprised of staff from across the company. More tangible however, are diversity objectives that tie directly to employee compensation. In this way, creating diversity becomes an action, not just a philosophy. The human network of Alliant Energy includes not only our people but also the communities we are privileged to serve. Throughout 1999, we found more ways to give back. The Alliant Energy Foundation contributed more than $2.1 million to organizations throughout our four-state utility service territory that foster education, social programs, arts initiatives and civic achievements. Through partnering with United Way, Alliant Energy increased its positive impact on people of all ages. Last year, Alliant Energy and its employees donated nearly $550,000 to local United Way campaigns.

Alliant Energy employees have also demonstrated that they share the company’s commitment to environmental stewardship. Over the past 10 years, some 44,000 volunteers have planted more than one million trees and seedlings in communities and rural areas throughout Alliant Energy’s utility service territory. In partnership with key regional and national groups we also are contributing to America’s River, a major interpretive center on the riverfront in Dubuque, Iowa. The center will celebrate the history and natural resources of one of our national treasures — the Mississippi River. Visitors will gain both an appreciation of the past and a view into the future through this multifaceted project. We are proud to support the ensuing business development, knowing that it is guided by appreciating and preserving the natural environment.

Life after Y2K. Alliant Energy’s Information Technology staff apply their expertise to projects with direct benefit to our customers and shareholders. Coming in 2000 — online access to utility accounts and further online conversion of many administrative functions.

Everyone wins when community problems are addressed. That’s why Alliant Energy supports the communities it serves and rewards unique social and environmental solutions that make the Midwest a better place to live and work.
As we enter this new millennium, the energy-services industry is filled with incredible excitement and challenge. Pressures for market competition, building for the last decade, are finally bursting and forcefully challenging an industry that for too long has been hamstrung by heavy regulation and captive customers.

As a shareowner, you have many reasons to feel excited about your investment in Alliant Energy. Though change presents the unknown, Alliant Energy will relentlessly demonstrate its capacity to navigate the new course in ways that enhance the bottom line and your return. We have built a solid foundation through our merger and it is now beginning to pay off. Our 1999 results validate our strategic plan and corporate direction. We are, indeed, on our way.

As we move into the future, we also will be challenged by technology, which continues to both touch and transform our industry. Fast computer chips and digital technology have scaled down two portable, potent energy helpers the environment, helping themselves. For nearly a decade, young adults from Operation Fresh Start, Inc. have learned valuable vocational skills through field work at Alliant Energy’s Riverland Conservancy in Merrimac, Wis.

"WE WILL CONTINUE TO RESHAPE AND GROW OUR UTILITY BUSINESS, WHILE AT THE SAME TIME USE OUR KNOWLEDGE AND EXPERIENCE TO PURSUE FASTER-GROWING, LESS-REGULATED BUSINESSES TO WHICH WE CAN BRING OUR EXPERTISE. OUR SUCCESS IN 1999 CLEARLY VALIDATED THIS PRUDENT APPROACH."

Erroll Davis
President and Chief Executive Officer
sources — microturbines and fuel cells. Microturbines produce electricity through small combustion engines fueled by natural gas whereas fuel cells produce electricity through a chemical reaction in which hydrogen and oxygen are turned into water. With these new tools consumers may associate “portable,” “accessible” and “wireless” as terms defining their future energy sources. As a company we’re exploring the most practical and profitable ways to incorporate these technologies into our portfolio.

Technology plays another role in changing how we do business through e-commerce. We continue to focus on applying Internet technology where it can offer the most benefit to our customers and operations. We realize that we are only scratching the surface and remain excited by the possibilities. The years ahead will bring even more challenges. And, as we meet them, we must discipline our organization to sharpen its focus on our two most critical constituencies: our customers and our shareholders. Our edge must come from the value we add in all aspects of our business — manufacturing, transmission, distribution, sales and service. To find it, we are looking at organizations with which to partner, technologies to advance our operations and companies to acquire.

Finding value also means demonstrating leadership. Alliant Energy will continue to pioneer sound energy policy and contribute to best practices in our industry. Through active participation in national organizations such as the Edison Electric Institute and the Electric Power Research Institute, we remain committed to shaping the future of electric-utility industry restructuring, technology, research and other issues affecting you on a personal — and financial — level.

Our future reflects a new world of innovation — in technology, business models and even legislation. We cannot chart our course to success with certainty, but we can set the direction. The pathway to our goal may vary with the evolving nature of our industry, yet our unwavering focus remains on creating value for our shareholders. The future demands it of us and we demand it of ourselves.

New headquarters underway.
Alliant Energy will soon develop a new headquarters building in the American Center, a business park in Madison, Wis. The new office will feature energysaving measures that showcase our energy-management expertise. Completion is scheduled for Summer 2002.
Ages are as of Dec. 31, 1999. Bracketed information represents first year of board affiliation with a company that ultimately became part of the Alliant Energy family.

Lee Liu, 66 [1981]
Chairman of the Board
Alliant Energy
Cedar Rapids, Iowa
Executive Committee Chair

Wayne H. Stoppelmoor, 65 [1986]
Vice Chairman of the Board
Alliant Energy
Dubuque, Iowa
Executive Committee

Erroll B. Davis Jr., 55 [1982]
President and
Chief Executive Officer
Alliant Energy
Madison, Wis.

Rockne G. Flowers, 68 [1979]
President
Nelson Industries, Inc.
Stoughton, Wis.
Nominating and Governance Committee Chair
Executive Committee

Joyce L. Hanes, 67 [1982]
Chairman of the Board
Midwest Wholesale, Inc.
Mason City, Iowa
Audit Committee Chair
Environmental, Nuclear, Health and Safety Committee Executive Committee

Jack B. Evans, 51 [2000]
Director and President
The Hall-Perrine Foundation
Cedar Rapids, Iowa
Audit Committee

Alan B. Arends, 66 [1993]
Chairman of the Board
Alliance Benefit Group Financial Services Corp.
Albert Lea, Minn.
Compensation and Pensioned Committee
Nominating and Governance Committee
Alliant Energy Corporation had 66,886 shareholders as of Dec. 31, 1999. Shareowner records are maintained in the corporate general office in Madison, Wis.

Alliant Energy Corporation 1999 year-end common stock price: $27 1/2

### COMMON STOCK QUARTERLY PRICE RANGES AND DIVIDENDS

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>1998</th>
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<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>First</td>
<td>$32 ¼</td>
<td>$26 ½</td>
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<tr>
<td>Second</td>
<td>30 ½</td>
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<tr>
<td>Third</td>
<td>30 ¼</td>
<td>26 ½</td>
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<tr>
<td>Fourth</td>
<td>28 ¼</td>
<td>25 ½</td>
</tr>
<tr>
<td>Year</td>
<td>$32 ¼</td>
<td>$25 ¼</td>
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</table>

Alliant Energy Corporation 1999 year-end common stock price: $27 1/2
STREET-NAME ACCOUNTS
Shareowners whose stock is held by banks or brokerage firms and who wish to receive quarterly reports directly from the company should contact Shareowner Services to be placed on the mailing list. Reports may also be obtained through the financial section of our web site.

ANNUAL MEETING
The 2000 Annual Meeting of Shareowners will be held at the Dane County Expo Center, Madison, Wis., on Wednesday, May 17, 2000, at 1 p.m. Central Daylight Time.

FORM 10-K INFORMATION
Upon request, the company will provide, without charge, copies of the Annual Report on Form 10-K for the year ended Dec. 31, 1999, as filed with the Securities and Exchange Commission. All reports filed with the SEC are also available through the financial section of our web site.

ANALYST INQUIRIES
Inquiries from the financial community may be directed to:
Robert Rusch
Manager-Investor Relations and Trust Fund Management
P.O. Box 192
Madison, WI 53701-0192
Phone: (608) 252-3470 Fax: (608) 252-4824
E-mail: bobrusch@alliant-energy.com

DUPLICATE MAILINGS
If you receive duplicate mailings of proxies, dividend checks, or other mailings because of slight differences in the registration of your accounts, please call Shareowner Services for instructions on combining your accounts. To reduce the volume of paper you receive from us, you may wish to consider electronic access.

ELECTRONIC ACCESS
Electronic access allows you to obtain our annual report and proxy statements by using the Internet. Setup is easy and can be done by calling Shareowner Services. You will still receive account-related information by mail (e.g., checks and statements).

SHAREOWNER INFORMATION
The company’s annual report and quarterly newsletter focus on the shareowner audience. Your questions and ideas are always welcome. Please direct them to Shareowner Services.

STOCK TRANSFER AGENT AND REGISTRAR
For Alliant Energy common stock and all preferred stock of Wisconsin Power and Light Company, IES Utilities Inc. and Interstate Power Company contact:
Alliant Energy Corporation
ATTN: Shareowner Services
P.O. Box 2568
Madison, WI 53701-2568

Written inquiries should be mailed to this address as well.

SHAREOWNER DIRECT PLAN
The Plan is available to all shareowners of record, first-time investors, customers, vendors and employees. Through the Plan, shareowners may buy common stock directly through the company without paying any brokerage commissions, fees or service charges.

Full details are in the prospectus, which can be obtained through our web site or by calling Shareowner Services.

DIRECT DEPOSIT
Shareowners who are not reinvesting their dividends through the Plan may choose to have their quarterly dividend electronically deposited in their checking or savings account through this service. Electronic deposit may be arranged by contacting Shareowner Services.

SHAREOWNER SERVICES
The company’s Shareowner Services representatives are available to assistant you from 8:30 a.m. to 4:30 p.m. (Central Standard Time) each business day.
Madison, Wis. area: (608) 252-3110
Toll-free: 1-800-356-5345
Internet address: www.alliant-energy.com
(click on “Investment Information”)
### Officers

**ALLIANT ENERGY CORPORATION OFFICERS**

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Year Joined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erroll B. Davis Jr.</td>
<td>55</td>
<td>1978</td>
</tr>
<tr>
<td>President and CEO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>William D. Harvey</td>
<td>50</td>
<td>1986</td>
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<tr>
<td>Executive Vice President - Generation</td>
<td></td>
<td></td>
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<tr>
<td>James E. Hoffman</td>
<td>46</td>
<td>1995</td>
</tr>
<tr>
<td>Executive Vice President - Business Development</td>
<td></td>
<td></td>
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<tr>
<td>Eliot G. Protsch</td>
<td>46</td>
<td>1978</td>
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<tr>
<td>Executive Vice President - Energy Delivery</td>
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<td></td>
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<tr>
<td>Barbara J. Swan</td>
<td>48</td>
<td>1987</td>
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<tr>
<td>Executive Vice President and Chief Financial Officer</td>
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<tr>
<td>Dale R. Shoup</td>
<td>59</td>
<td>1964</td>
</tr>
<tr>
<td>Senior Vice President - Transmission (President, Interstate Power Co.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daniel A. Doyle</td>
<td>41</td>
<td>1992</td>
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<tr>
<td>Vice President - Chief Accounting and Financial Planning Officer</td>
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<tr>
<td>John E. Elsberg</td>
<td>56</td>
<td>1996</td>
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<tr>
<td>Vice President - Special Projects</td>
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<tr>
<td>Edward M. Gleason</td>
<td>59</td>
<td>1977</td>
</tr>
<tr>
<td>Vice President - Treasurer and Corporate Secretary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Susan J. Kosmo</td>
<td>53</td>
<td>1986</td>
</tr>
<tr>
<td>Assistant Controller</td>
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<td></td>
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<tr>
<td>John E. Kratschmer</td>
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<td>1985</td>
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<tr>
<td>Assistant Controller</td>
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<td></td>
</tr>
<tr>
<td>Linda J. Wentzel</td>
<td>51</td>
<td>1978</td>
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<tr>
<td>Assistant Corporate Secretary</td>
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<td></td>
</tr>
<tr>
<td>Enrique Bacalao</td>
<td>50</td>
<td>1998</td>
</tr>
<tr>
<td>Assistant Treasurer</td>
<td></td>
<td></td>
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**ALLIANT ENERGY RESOURCES OFFICERS**

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<td>46</td>
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<tr>
<td>President</td>
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<td></td>
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<tr>
<td>Thomas L. Aller</td>
<td>50</td>
<td>1993</td>
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<tr>
<td>Vice President</td>
<td></td>
<td></td>
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<td>59</td>
<td>1977</td>
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<td>1992</td>
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<tr>
<td>Vice President - Chief Accounting and Financial Planning Officer</td>
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<td></td>
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<tr>
<td>John K. Peterson</td>
<td>47</td>
<td>1998</td>
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<td>Vice President</td>
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Ages are as of Dec. 31, 1999. Dates in brackets represent the year each person joined a company that ultimately became part of the Alliant Energy family.
This Annual Report includes forward-looking statements. These forward-looking statements can be identified as such because the statement includes words such as “expects” or “estimates” or other words of similar import. Similarly, statements that describe future plans or strategies are also forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those currently anticipated. These factors which could affect actual results include, among others, weather conditions, regulatory or governmental actions, including utility industry restructuring, general economic and political conditions in Alliant Energy’s relevant domestic and international service territories, material changes in the value of Alliant Energy’s investment in Medallion LLS, the ability of Alliant Energy to successfully introduce new products and services, technological developments, and inflation rates. These factors should be considered in evaluating the forward-looking statements and undue reliance should not be placed on such statements.
1999 ANNUAL REPORT
Worldwide Headquarters
222 West Washington Avenue
P.O. Box 192
Madison, Wisconsin 53701-0192
U.S.A.
608.252.3311

www.alliant-energy.com

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