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FOR IMMEDIATE RELEASE – April 28, 2005

**CINERGY REPORTS FIRST QUARTER EARNINGS;
REAFFIRMS 2005 EARNINGS GUIDANCE**
Webcast of Analyst Conference Call Scheduled Today for 9:00 a.m. EDT

CINCINNATI – Cinergy Corp. (NYSE:CIN) today reported net income for the first quarter of 2005 of \$117 million, or \$0.60 per share on a diluted basis, compared with net income of \$103 million, or \$0.57 per share on a diluted basis in the first quarter of 2004.

Earnings for the first quarter of 2005 were negatively impacted by (\$0.12) per share resulting from the recognition of unrealized mark-to-market losses on power and gas contracts that hedge gas storage and generation assets. These contracts, which are economic power and gas hedges, do not meet the accounting requirements to qualify for either accrual accounting or cash flow hedge accounting.

Excluding these impacts, adjusted earnings for the first quarter of 2005 were \$0.72 per share, compared with \$0.63 per share for the first quarter of 2004. In the first quarter of 2004, earnings were impacted by gains from similar unrealized mark-to-market adjustments of \$0.05 per share and an (\$0.11) per share impairment charge related to a certain technology investment.

Cinergy uses adjusted earnings internally for analysis of performance and for reporting results to the Board of Directors to provide a more meaningful representation of Cinergy's fundamental earnings power. The company also uses adjusted earnings when communicating its earnings outlook to analysts and investors.

"Our first quarter adjusted results were below our expectations due to milder weather and the timing of certain operating costs," said James E. Rogers, chairman, president and chief executive officer of Cinergy. "Due to strong results in our wholesale power businesses during the first quarter and recently approved price increases to retail customers, we believe we are on

track to meet our previously announced earnings guidance of \$2.70 to \$2.85 per share in 2005, excluding the mark-to-market effect of power and gas contracts that hedge gas storage and generation assets.”

Business Segment Results

First quarter earnings from the Commercial Businesses segment were \$0.23 per share in 2005 compared with \$0.25 in the same period in 2004. Excluding the (\$0.12) per share impact in 2005 and the \$0.05 per share impact in 2004 resulting from the unrealized mark-to-market effects of the power and gas contracts discussed above, the segment’s earnings were \$0.35 per share, compared with \$0.20 per share from a year earlier. The segment realized increased margins through strong performances from portfolio optimization activities and power marketing, trading and origination. Higher generation margins were partially offset by increases in fuel costs that are not yet reflected in the prices charged to residential and non-retail customers.

First quarter earnings from the Regulated Businesses segment were \$0.39 per share in 2005, compared with \$0.44 per share from a year earlier. The decrease in earnings was due to milder weather, increased operation and maintenance expense, higher financing costs, and higher depreciation expense, which resulted from increased plant in service and higher depreciation rates associated with PSI Energy’s recent electric rate increase. Partially offsetting these decreases was an increase in electric gross margins resulting from the rate increase for PSI Energy.

The Power Technology and Infrastructure Services segment lost (\$0.02) per share, as compared to a (\$0.01) per share loss from the prior year, excluding the previously-discussed impairment charge.

Other Activities

In the first quarter, CG&E filed a rate application with the Public Utilities Commission of Ohio seeking a \$78 million increase for electric distribution service in Ohio. Hearings are expected to occur in the fall with the increase expected to take effect in January 2006.

In February, The Union Light, Heat and Power Company filed with the Kentucky Public Service Commission for an increase in natural gas distribution rates of approximately \$14 million.

Hearings are scheduled to take place in August, and an order is expected in the fourth quarter of 2005.

Cinergy Solutions signed an agreement to design, build, own, operate and maintain a new steam generating plant to serve Union Carbide's South Charleston, W.Va., Technology Park. When completed, the new facility serve more than 380 laboratories at the technology park. Union Carbide is a wholly owned subsidiary of Dow Chemical Company and joins Cinergy Solutions' list of major industrial clients across the country.

The U.S. Department of Labor honored Cinergy with its highest award, the Secretary of Labor's Opportunity Award, for the company's innovative programs and initiatives to promote equal opportunity for all applicants and employees. The award was presented to Cinergy CEO Rogers on March 17, 2005 at a ceremony in Washington, D.C., hosted by the Labor Department's Office of Federal Contract Compliance Programs.

Cinergy Corp. has a balanced, integrated portfolio consisting of two core businesses: regulated operations and commercial businesses. Cinergy's regulated public utilities in Ohio, Indiana, and Kentucky serve 1.5 million electric customers and about 500,000 gas customers. In addition, its Indiana regulated company owns 7,000 megawatts of generation. Cinergy's competitive commercial businesses have 6,300 megawatts of generating capacity with a profitable balance of stable existing customer portfolios, new customer origination, marketing and trading, and industrial-site cogeneration. Cinergy's integrated businesses make it a Midwest leader in providing both low-cost generation and reliable electric and gas service.

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions. These forward-looking statements are identified by terms and phrases such as "anticipate", "believe", "intend", "estimate", "expect", "continue", "should", "could", "may", "plan", "project", "predict", "will", and similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to, unanticipated weather conditions; unscheduled generation outages; unusual maintenance or repairs; unanticipated changes in costs; environmental incidents, including costs of compliance with existing and future environmental requirements; electric transmission or gas pipeline system constraints; legislative and regulatory initiatives; additional competition in electric or gas markets and continued industry consolidation; financial or regulatory accounting principles; political, legal, and economic conditions and developments in the countries in which we have a presence; changing market conditions and other factors related to physical energy and financial trading activities; the performance of projects undertaken by our non-regulated businesses and the success of efforts to invest in and develop new opportunities; availability of, or cost of, capital; employee workforce factors; delays and other obstacles associated with mergers, acquisitions,

and investments in joint ventures; and costs and effects of legal and administrative proceedings, settlements, investigations, and claims. Please refer to the company's SEC filings for additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements. The Company undertakes no obligation to update the information contained herein.

Following are summaries of Cinergy's unaudited consolidated financial information for the first quarter.

CINERGY CORP.
CONSOLIDATED STATEMENTS OF INCOME
For the Periods Ended March 31, 2005 and 2004

(unaudited)

(dollars in thousands, except per share amounts)

	Quarter Ended	
	2005	2004
Operating Revenues		
Electric	\$926,297	\$858,436
Gas	313,096	350,846
Other	104,856	79,376
Total Operating Revenues	1,344,249	1,288,658
Operating Expenses		
Fuel, emission allowances and purchased power	304,963	293,890
Gas purchased	208,600	223,516
Costs of fuel resold	85,843	57,462
Operation and maintenance	331,708	310,836
Depreciation	126,486	104,857
Taxes other than income taxes	78,932	82,247
Total Operating Expenses	1,136,532	1,072,808
Operating Income	207,717	215,850
Equity in Earnings of Unconsolidated Subsidiaries	4,836	2,748
Miscellaneous Income (Expense) - Net	2,340	(15,508)
Interest Expense	64,064	67,395
Preferred Dividend Requirements of Subsidiaries	858	858
Income Before Taxes	149,971	134,837
Income Taxes	32,615	31,822
Net Income	\$117,356	\$103,015
Average Common Shares Outstanding - Basic	195,647	179,261
Earnings Per Common Share - Basic	\$0.60	\$0.57
Average Common Shares Outstanding - Diluted	196,712	181,926
Earnings Per Common Share - Diluted	\$0.60	\$0.57
Cash Dividends Declared Per Common Share	\$0.48	\$0.47

Note: Prior year data has been reclassified to conform with current year presentation.

CINERGY CORP.
CONSOLIDATED BALANCE SHEETS

(unaudited)
(in thousands)

	March 31 2005	December 31 2004
ASSETS		
Current Assets		
Cash and cash equivalents	\$124,108	\$164,541
Notes receivable, current	126,984	214,513
Accounts receivable less accumulated provision for doubtful accounts of \$5,000 at March 31, 2005, and \$5,514 at December 31, 2004	985,262	1,061,140
Fuel, emission allowances, and supplies	390,064	444,750
Prepayments and other	234,303	174,624
Energy risk management current assets	450,770	381,146
Total current assets	<u>2,311,491</u>	<u>2,440,714</u>
Property, Plant, and Equipment - at Cost		
Utility plant in service	10,136,415	10,076,468
Construction work in progress	429,817	333,687
Total utility plant	<u>10,566,232</u>	<u>10,410,155</u>
Non-regulated property, plant, and equipment	4,734,719	4,700,009
Accumulated depreciation	<u>5,257,604</u>	<u>5,180,699</u>
Net property, plant, and equipment	<u>10,043,347</u>	<u>9,929,465</u>
Other Assets		
Regulatory assets	1,016,347	1,030,333
Investments in unconsolidated subsidiaries	495,195	513,675
Energy risk management non-current assets	239,028	138,787
Notes receivable, non-current	188,391	193,857
Other investments	123,654	125,367
Goodwill and intangible assets	154,293	132,752
Restricted funds held in trust	341,126	358,006
Other	<u>118,260</u>	<u>119,361</u>
Total other assets	<u>2,676,294</u>	<u>2,612,138</u>
Total Assets	\$15,031,132	\$14,982,317
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$1,272,124	\$1,348,576
Accrued taxes	251,493	216,804
Accrued interest	61,000	54,473
Notes payable and other short-term obligations	449,844	958,910
Long-term debt due within one year	222,748	219,967
Energy risk management current liabilities	427,161	310,741
Other	<u>129,366</u>	<u>171,188</u>
Total current liabilities	<u>2,813,736</u>	<u>3,280,659</u>
Non-current Liabilities		
Long-term debt	4,240,579	4,227,741
Deferred income taxes	1,574,111	1,597,120
Unamortized investment tax credits	97,524	99,723
Accrued pension and other post-retirement benefit costs	710,788	688,277
Regulatory liabilities	563,873	557,419
Energy risk management non-current liabilities	247,127	127,340
Other	<u>224,599</u>	<u>225,298</u>
Total non-current liabilities	<u>7,658,601</u>	<u>7,522,918</u>
Total Liabilities	10,472,337	10,803,577
Cumulative Preferred Stock of Subsidiaries		
Not subject to mandatory redemption	62,818	62,818
Common Stock Equity		
Common stock - \$.01 par value; authorized shares - 600,000,000; issued shares - 198,128,516 at March 31, 2005 and 187,653,506 at December 31, 2004; outstanding shares - 197,989,654 at March 31, 2005 and 187,524,229 at December 31, 2004	1,981	1,877
Treasury shares at cost - 138,862 at March 31, 2005, and 129,277 shares at December 31, 2004	<u>(4,635)</u>	<u>(4,336)</u>
Paid-in capital	2,919,758	2,559,715
Retained earnings	1,638,704	1,613,340
Accumulated other comprehensive income (loss)	<u>(59,831)</u>	<u>(54,674)</u>
Total common stock equity	<u>4,495,977</u>	<u>4,115,922</u>
Total Liabilities and Equity	\$15,031,132	\$14,982,317

Note: Prior year data has been reclassified to conform with current year presentation.

CINERGY CORP.
BUSINESS SEGMENT SUMMARY INFORMATION
For the Quarter Ended March 31

(unaudited)

(dollars in thousands, except per share amounts)

	<u>2005</u>	<u>2004</u>
<u>Regulated Businesses</u>		
Net Income.....	\$ 75,896	\$ 80,861
Earnings Per Share - diluted.....	\$ 0.39	\$ 0.44
Operational Statistics:		
Electric Retail MWh Sales and Transportation.....	13,310,288	13,367,364
Gas Retail Mcf Sales and Transportation.....	38,537,137	41,640,672
Electric Customers (End of Period).....	1,569,861	1,546,261
Gas Customers (End of Period).....	513,577	513,422
<u>Commercial Businesses</u>		
Net Income.....	\$ 45,192	\$ 44,736
Earnings Per Share - diluted.....	\$ 0.23	\$ 0.25
Operational Statistics:		
Electricity Trading Volumes (MWhs).....	50,317,278	45,604,114
Physical and Financial Gas Trading Volumes (Bcf/d)....	71.6	45.8
<u>Power Technology & Infrastructure Services</u>		
Net Income.....	\$ (3,732)	\$ (22,582)
Earnings Per Share - diluted.....	\$ (0.02)	\$ (0.12)

For 2004, the Regulated and Commercial segments have each been restated from prior presentations to reflect the reclassification of PSI's off-system sales from the Commercial Businesses to the Regulated Businesses.

CINERGY CORP.
BUSINESS SEGMENT EARNINGS DRIVER ANALYSIS
For the Quarter Ended March 31, 2005
(unaudited)

Regulated Businesses

Earnings Per Share - diluted - 2004 **\$0.44**

Weather.....	(0.02)
Electric sales volumes.....	0.01
Price increases.....	0.12
Regulatory deferrals.....	0.02
Operation and maintenance.....	(0.07)
Depreciation.....	(0.05)
Financing and dilution.....	(0.05)
Other - net.....	<u>(0.01)</u>

Earnings Per Share - diluted - 2005 **\$0.39**

Commercial Businesses

Earnings Per Share - diluted - 2004 (Adjusted*) **\$0.20**

Weather.....	(0.01)
Electric sales volumes.....	0.01
Price increases.....	0.04
Fuel costs.....	(0.03)
Operation and maintenance.....	(0.01)
Optimization activities.....	0.10
Power marketing, trading and origination.....	0.04
Financing and dilution.....	(0.01)
Other - net.....	<u>0.02</u>

Earnings Per Share - diluted - 2005 (Adjusted*) **\$0.35**

Power Technology & Infrastructure Services

Earnings Per Share - diluted - 2004 (Adjusted*) **(\$0.01)**

Results of investments.....	<u>(0.01)</u>
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Earnings Per Share - diluted - 2005 (Adjusted*) **(\$0.02)**

For 2004, the Regulated and Commercial segments have each been restated from prior presentations to reflect the reclassification of PSI's off-system sales from the Commercial Businesses to the Regulated Businesses.

** See press release for a reconciliation to the most comparable GAAP measure.*