The Laclede Group, Inc. Prices Offerings of Common Stock and Equity Units

Company Release - 06/05/2014 22:35

ST. LOUIS, June 5, 2014 /PRNewswire/ -- The Laclede Group, Inc. (NYSE: LG) (the "Company") announced today that it has priced a public offering of 9 million shares of its common stock at $46.25 per share. In addition, the Company has priced a public offering of 2.5 million equity units or $125 million in equity units. Each equity unit will be issued in a stated amount of $50 and will consist of a contract to purchase the Company's common stock in the future and a 1/20, or 5 percent, undivided beneficial ownership interest in a 2014 Series A 2.00% remarketable junior subordinated note due 2022 having a principal amount of $1,000. The Company has granted the underwriters a 30-day option to purchase up to 1.35 million additional shares of the Company's common stock and a 13-day option to purchase up to 375,000 additional equity units. The offerings (which are not conditioned on one another) are expected to close on or about June 11, 2014, subject to customary closing conditions.

Total annual distribution on the equity units will be at the rate of 6.75 percent, consisting of interest on the remarketable junior subordinated notes and payments under the purchase contracts. The reference price for the equity units is $46.25 per share. The threshold appreciation price for the equity units is approximately $57.81 per share, which represents a premium of approximately 25 percent over the reference price. Under the purchase contracts, holders will be required to purchase a variable number of shares of common stock no later than April 1, 2017.

The Company intends to use the net proceeds from these offerings, which are expected to be $522 million in the aggregate or $600 million in the aggregate if the options to purchase additional shares or equity units are exercised in full (in each case, after deducting underwriting discounts and commissions but before deducting other offering expenses), primarily to fund a portion of the cash consideration payable in connection with the pending acquisition of Alabama Gas Corporation.

Credit Suisse and Wells Fargo Securities are lead book-running managers for both the common stock and equity units offerings. BofA Merrill Lynch and Morgan Stanley are joint book-running managers of the common stock offering. In addition, J.P. Morgan and RBC Capital Markets are joint book-running managers of the equity units offering. Copies of the prospectuses and prospectus supplements relating to the common stock offering and the equity units offering may be obtained from the offices of 1) Credit Suisse at One Madison Avenue, New York, NY 10010-3629, Attn: Prospectus Department, by calling toll free 1-800-221-1037, or by e-mail at newyork.prospectus@credit-suisse.com, or 2) Wells Fargo Securities at 375 Park Avenue, New York, NY 10152, Attn: Equity Syndicate Dept., by calling toll free 1-800-326-5897, or by e-mail at cmclientsupport@wellsfargo.com.

A shelf registration statement relating to the securities in these offerings has been filed previously with the Securities and Exchange Commission and is effective. This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make an offer, solicitation or sale in such jurisdiction. The offering of each of these securities will be made only by means of the applicable prospectus supplement and accompanying prospectus.

ABOUT THE LACLEDE GROUP

The Laclede Group, Inc. (NYSE: LG), headquartered in St. Louis, Missouri, is a public utility holding company. The Gas Utility segment serves St. Louis and eastern Missouri through Laclede Gas and serves Kansas City and western Missouri through Missouri Gas Energy. Together they provide more than 1.13 million residential, commercial and industrial customers with safe and reliable natural gas service. Laclede's primary non-utility business, Laclede Energy Resources, Inc., included in the Gas Marketing segment, provides non-regulated natural gas services. Laclede Group is committed to pursuing growth through 1) developing and investing in emerging technologies; 2) investing in infrastructure; 3) acquiring businesses to which the Company can apply its operating model; and 4) leveraging its

current business unit competencies.

CAUTIONARY STATEMENTS ON FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. The Company's future operating results may be affected by various uncertainties and risk factors, many of which are beyond the Company's control, including weather conditions, economic factors, the competitive environment, governmental and regulatory policy and action, and risks associated with the Company's pending acquisition of Alabama Gas Corporation. For a more complete description of these uncertainties and risk factors, see the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2013 and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, each as amended and filed with the Securities and Exchange Commission.

SOURCE The Laclede Group, Inc.