The Laclede Group Announces Second Quarter and Year-to-Date Earnings

Company Release - 04/29/2004 17:15

ST. LOUIS, April 29 /PRNewswire-FirstCall/ -- Today, the Laclede Group, Inc. (NYSE: LG) announced earnings for the quarter ended March 31, 2004 were $1.12 per share, compared with $1.14 per share earned during the same period last year. Those earnings were primarily derived from the regulated activities of The Group's largest subsidiary, Laclede Gas Company , Missouri's largest natural gas distribution company.

Temperatures in the Laclede Gas service area during the quarter were 8% warmer than normal and 10% warmer than the same period last year, resulting in decreased utility sales. However, the impact of the lower sales on earnings was largely mitigated by the utility's rate structure. Additionally, higher operating expenses and decreased net off-system sales and capacity release revenues during the quarter were somewhat offset by a non-operating earnings benefit at the utility related to its interest, as a policyholder, in the sale of a mutual insurance company. The Laclede Group's two other primary subsidiaries -- SM&P Utility Resources, Inc. (SM&P), one of the nation's major underground facilities locating and marking service companies, and Laclede Energy Resources, Inc. (LER), a non-regulated natural gas marketing and management service company -- each reported improved results over the same period last year.

Earnings for the six-month period ended March 31, 2004, were $1.99 per share, compared with $1.93 per share for the same period last year. The improvement is largely due to the impact of the implementation of the 2002 general rate increase, including the weather mitigation rate design, which became fully effective this year, and the non-operating benefit mentioned previously. SM&P and LER also reported increased earnings compared with the same period last year.

Due to the seasonal nature of The Group's core natural gas utility's business, earnings are typically concentrated in the November through April period, which generally corresponds with the heating season. The utility typically experiences losses during the non-heating season. This seasonal effect on The Laclede Group is expected to be tempered somewhat by earnings from its non-regulated subsidiaries, particularly SM&P, whose operations tend to be counter-seasonal to those of Laclede Gas .

Note: 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, governmental and regulatory policy and action, the competitive environment and economic factors. For a more complete description of these uncertainties and risk factors, see the Company's Form 10-Q for the quarter ended December 31, 2003, filed with the Securities and Exchange Commission.

UNAUDITED

STATEMENTS OF CONSOLIDATED INCOME

The Laclede Group, Inc.

(Thousands, Except Per Share Amounts)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2004	2003	2004	2003

Operating Revenues:				
Regulated				
Gas distribution	$396,898	$357,456	$658,248	$574,621
Non-Regulated				
Services	15,250	17,315	34,798	48,138
Gas marketing	61,480	45,874	112,463	77,141
Other	1,327	1,534	2,083	2,450
Total operating revenues	474,955	422,179	807,592	702,350
Operating Expenses:				
Regulated				
Natural and propane gas	288,284	247,918	463,559	381,761
Other operation expenses	32,808	29,663	62,291	60,987
Maintenance	4,641	4,950	9,070	9,394
Depreciation and amortization	5,711	5,596	11,369	11,089
Taxes, other than income taxes	24,897	22,579	39,729	36,707
Total regulated operating expenses	356,341	310,706	586,018	499,938
Non-Regulated				
Services	19,538	23,301	39,849	53,945
Gas marketing	59,813	44,744	110,101	74,848
Other	804	1,106	1,771	2,083
Total operating expenses	436,496	379,857	737,739	630,814
Operating Income	38,459	42,322	69,853	71,536
Other Income and (Income Deductions) - Net	1,905	(25)	3,337	1,042
Interest Charges:				
Interest on long-term debt	4,815	5,205	9,629	10,410
Interest on long-term debt to unconsolidated affiliate trust	867	867	1,733	1,011
Other interest charges	999	953	2,084	2,302
Total interest charges	6,681	7,025	13,446	13,723
Income Before Income Taxes	33,683	35,272	59,744	58,855
Income Tax Expense	12,128	13,687	21,582	22,159
Net Income	21,555	21,585	38,162	36,696
Dividends on Redeemable Preferred Stock - Laclede Gas	15	15	31	31
Net Income Applicable to Common Stock	$21,540	$21,570	$38,131	$36,665

Average Number of Common Shares Outstanding	19,167	19,002	19,142	18,981
Basic Earnings Per Share Of Common Stock	$1.12	$1.14	$1.99	$1.93
Diluted Earnings Per Share Of Common Stock	$1.12	$1.14	$1.99	$1.93

Certain prior-period amounts have been reclassified to conform to current-year presentation.

SOURCE Laclede Group, Inc.

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(LG)

CO: Laclede Group, Inc.

ST: Missouri
IN: OIL UTI
SU: ERN

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