The Laclede Group Announces Fiscal 2004 Earnings

Company Release - 10/28/2004 17:15

ST. LOUIS, Oct. 28 /PRNewswire-FirstCall/ -- The Laclede Group (NYSE: LG) today released the earnings results for its fiscal year 2004, the 12-month period ended September 30.

Fiscal 2004 earnings were $36.1 million, an increase of $1.5 million, or approximately 4%, over earnings reported for fiscal 2003. Earnings per share were $1.82 per share for both periods as a result of higher average shares outstanding this year, largely due to the sale of 1.725 million shares of common stock in May 2004.

The majority of Group's earnings came from its core regulated subsidiary, Laclede Gas Company . The utility had lower earnings this year compared to last year reflecting lower sales of natural gas due to warmer weather, increased operating expenses including a higher level of uncollectible accounts, and the income recorded in fiscal 2003 related to the utility's management of its annual gas supply costs. Offsetting these factors, however, were an increase in earnings from off-system sales and capacity release and the receipt of a non-operating benefit related to the Company's interest as a policyholder in the sale of a mutual insurance company. Importantly, heating season temperatures in Laclede Gas Company's service area during fiscal 2004 were 15% warmer than in fiscal 2003 and 14% warmer than normal. The warmer weather, however, did not impact the utility's earnings as significantly as it has historically due to the full-year effect of the utility's rate design implemented in November 2002 that lessens the impact of weather volatility on Laclede Gas and its customers.

The results of SM&P Utility Resources, Inc., The Laclede Group's non- regulated subsidiary specializing in underground facilities locating and marking, improved significantly in fiscal 2004 compared with the prior year. SM&P's improvement reflects the return of a significant portion of business with two large customers as well as the attainment of new business in both existing and new markets.

Laclede Energy Resources, Inc., The Laclede Group's non-utility gas marketing subsidiary, also produced good results in fiscal 2004 with a slight improvement in earnings over the previous year.

For further details concerning The Laclede Group's fiscal 2004 results, see the accompanying unaudited Statements of Consolidated Income. The Group's Annual Report to Shareholders for fiscal 2004 will be distributed in December.

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 June 30, 2004, filed with the Securities and Exchange Commission.

UNAUDITED

STATEMENTS OF CONSOLIDATED INCOME

The Laclede Group, Inc.

(Thousands, Except Per Share Amounts)

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2004	2003	2004	2003
Operating Revenues:				
Regulated				
Gas distribution	$84,787	$85,944	$868,905	$774,772
Non-Regulated				
Services	34,468	24,754	104,239	100,168
Gas marketing	77,390	44,958	270,328	163,861
Other	1,023	5,729	6,848	11,529
Total operating revenues	197,668	161,385	1,250,320	1,050,330
Operating Expenses:				
Regulated				
Natural and propane gas	43,277	41,688	575,691	483,742
Other operation expenses	30,894	30,466	121,596	118,550
Maintenance	5,036	4,782	18,705	18,759
Depreciation and amortization	5,270	5,561	22,385	22,229
Taxes, other than income taxes	8,330	7,842	60,077	56,102
Total regulated operating expenses	92,807	90,339	798,454	699,382
Non-Regulated				
Services	30,043	23,427	99,511	102,093
Gas marketing	76,726	43,877	265,394	159,105
Other	939	5,346	6,400	10,615
Total operating expenses	200,515	162,989	1,169,759	971,195
Operating Income (Loss)	(2,847)	(1,604)	80,561	79,135
Other Income and (Income Deductions) - Net	179	76	3,581	1,050
Interest Charges:				
Interest on long-term debt	6,174	4,814	22,010	20,169
Interest on long-term debt to unconsolidated affiliate trust	890	866	3,516	2,743
Other interest charges	585	862	3,234	3,974
Total interest charges	7,649	6,542	28,760	26,886
Income (Loss) Before Income Taxes	(10,317)	(8,070)	55,382	53,299
Income Tax Expense (Benefit)	(4,510)	(3,983)	19,264	18,652
Net Income (Loss)	(5,807)	(4,087)	36,118	34,647
Dividends on Redeemable Preferred Stock - Laclede Gas	15	15	62	62
Net Income (Loss) Applicable to				

Common Stock	$(5,822)	$(4,102)	$36,056	$34,585
Average Number of Common Shares Outstanding	20,980	19,080	19,783	19,022
Basic Earnings (Loss) Per Share of Common Stock	$(0.28)	$(0.21)	$1.82	$1.82
Diluted Earnings (Loss) Per Share of Common Stock	$(0.28)	$(0.21)	$1.82	$1.82

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

SOURCE The Laclede Group

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(LG)

CO: Laclede Group

ST: Missouri
IN: OIL UTI
SU: ERN

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