The Laclede Group Executes Agreement to Sell SM&P

Company Release - 02/15/2008 17:47

ST. LOUIS, Feb. 15 /PRNewswire-FirstCall/ -- The Laclede Group, Inc. (NYSE: LG) today announced that it has signed a definitive agreement for the sale of 100% of its interest in SM&P Utility Resources, Inc., its underground locating and marking subsidiary, for $85 million in cash, subject to certain closing and post-closing adjustments. The purchaser is Stripe Acquisition, Inc., an affiliate of Kohlberg Management VI, LLC.

"We have grown the revenue, developed and strengthened SM&P's core management and technological competencies, and built a platform for long-term growth during the more than six years that we have owned the company," said Douglas H. Yaeger, Chairman, President and Chief Executive Officer of Laclede Group. "In the course of continually reassessing and evaluating our corporate strategy, we have determined that it is the right time to sell SM&P to a new owner that can continue to grow the company and to turn our attention to other growth opportunities."

The transaction, which is structured as a stock sale, is expected to close in March 2008 and is subject to certain customary closing conditions, including Laclede Group obtaining certain approvals and consents and the purchaser's debt and equity lenders providing the committed financing.

Upon completion of the transaction, Laclede Group expects to use a portion of the proceeds from the sale of SM&P to strengthen its balance sheet.

About The Laclede Group

The Laclede Group, Inc. is a public utility holding company committed to providing reliable natural gas service through its regulated core utility operations, while engaging in non-regulated activities that provide opportunities for sustainable growth. Its primary subsidiary -- Laclede Gas Company -- is the largest natural gas distribution utility in Missouri, serving approximately 632,000 residential, commercial and industrial customers in the City of St. Louis and ten other counties in Eastern Missouri. Its primary non-regulated activities include Laclede Energy Resources, Inc., a natural gas commodity service provider located in St. Louis Missouri, and SM&P Utility Resources, Inc., a major underground facilities locating and marking service business headquartered in Carmel, Indiana. For more information about Laclede Group and its subsidiaries, visit http://www.thelacledegroup.com.

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, 2007, filed with the Securities and Exchange Commission.

SOURCE The Laclede Group, Inc.