

LACLEDE GROUP INC
Form 8-K
February 19, 2008

Item 1.01 Entry into a Material Definitive Agreement

On February 15, 2008, The Laclede Group, Inc. (“Laclede”) entered into a stock purchase agreement (“Agreement”) with Stripe Acquisition, Inc. (“Buyer”), a recently organized Delaware corporation affiliated with Kohlberg Management VI, LLC. Pursuant to the Agreement, Laclede agreed to sell to Buyer all of the outstanding shares of stock of its subsidiary, SM&P Utility Resources, Inc. (“SM&P”).

The purchase price is \$85 million, subject to adjustments based upon the amount of SM&P’s working capital as of the closing date and the amount of capital expenditures between February 1, 2008 and the closing date. Closing of the transaction is subject to certain approvals and consents, as well as to compliance with the premerger notification requirements of the Hart-Scott-Rodino Antitrust Improvement Act. Under the Agreement, a non-breaching party may terminate the Agreement if closing has not occurred by May 15, 2008.

The Agreement includes representations and warranties customary for such transactions, including, among others, representations and warranties of the parties as to brokers’ fees; of SM&P as to its financial status, contracts, title to and condition of personal and real property, taxes, legal compliance, environmental matters, employee benefits, and intellectual property; and of Buyer as to the investment purpose of the acquisition and status of financing commitments. In addition the Agreement includes customary pre- and post-closing covenants including such matters as cooperation on various matters for transition, the operation of the business from the date of the Agreement to closing, non-competition, and the handling of employee matters. The Agreement also includes customary indemnification provisions under which Laclede’s aggregate indemnification obligations under the Agreement, other than for tax and other fundamental representations, are limited to \$7 million.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE LACLEDE GROUP, INC.

Date: February 15, 2008

By: /s/ D. H. Yaeger
D. H. Yaeger
Chairman of the Board, President
and Chief Executive Officer