

LACLEDE GROUP INC
Form FWP
June 06, 2014

Free Writing Prospectus Filed Pursuant to Rule 433

To Prospectus dated June 3, 2014

Preliminary Prospectus Supplements, each dated June 3, 2014

Registration Statement File No. 333-190388

THE LACLEDE GROUP, INC.

Concurrent Offerings of:

9,000,000 Shares of Common Stock

(the Common Stock Offering)

and

2,500,000 Equity Units

(Initially Consisting of 2,500,000 Corporate Units)

(the Equity Units Offering and, together with the Common Stock Offering, the Offerings)

Pricing Term Sheet dated

June 5, 2014

The information in this pricing term sheet relates to the Offerings and should be read together with (i) the preliminary prospectus supplement dated June 3, 2014 relating to the Common Stock Offering (the Common Stock Preliminary Prospectus Supplement) and (ii) the preliminary prospectus supplement dated June 3, 2014 relating to the Equity Units Offering (the Equity Units Preliminary Prospectus Supplement and, together with the Common Stock Preliminary Prospectus Supplement, the Preliminary Prospectus Supplements), in each case, including the documents incorporated by reference therein and the related base prospectus dated June 3, 2014, filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended (Registration Statement File No. 333-190388). Terms used but not defined herein, with respect to either Offering, have the meanings ascribed to them in the applicable Preliminary Prospectus Supplement.

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| Company | The Laclede Group, Inc., a Missouri corporation |
| Company Stock Ticker | New York Stock Exchange LG |
| Pricing Date | June 5, 2014 |
| Trade Date | June 6, 2014 |
| Closing Price of the Common Stock on June 5, 2014 | \$47.19 per share |
| Settlement Date | June 11, 2014 |
| Registration Format | SEC Registered <u>Common Stock Offering</u> |
| Title of Securities | Common Stock, par value \$1.00 per share, of the Company (the Common Stock) |
| Number of Shares of Common Stock Offered | 9,000,000 (or 10,350,000 if the underwriters of the Common Stock Offering exercise their option to purchase up to 1,350,000 additional shares of Common Stock in full) |
| Common Stock Public Offering Price | \$46.25 per share of Common Stock |

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| | <p>\$416,250,000 in aggregate (or \$478,687,500 if the underwriters of the Common Stock Offering exercise their option to purchase up to 1,350,000 additional shares of Common Stock in full)</p> |
| Underwriting Discounts and Commissions | <p>\$1.71125 per share of Common Stock</p> <p>\$15,401,250.00 in aggregate (or \$17,711,437.50 if the underwriters of the Common Stock Offering exercise their option to purchase up to 1,350,000 additional shares of Common Stock in full)</p> |
| Estimated Net Proceeds to the Company from the Common Stock Offering | <p>The underwriters of the Common Stock Offering propose to offer the shares of Common Stock to dealers at the Common Stock Public Offering Price less a concession not in excess of \$1.02680 per share of Common Stock.</p> <p>The Company estimates that it will receive net proceeds of approximately \$400 million from the sale of Common Stock in the Common Stock Offering after deducting the Underwriting Discounts and Commissions and estimated offering expenses. The Company estimates that it will receive net proceeds of approximately \$460 million if the underwriters of the Common Stock Offering exercise their option to purchase additional shares of Common Stock in full.</p> |
| Book-Running Managers | <p>Credit Suisse Securities (USA) LLC</p> <p>Wells Fargo Securities, LLC</p> <p>Merrill Lynch, Pierce, Fenner & Smith</p> <p>Incorporated</p> |
| Co-Managers | <p>Morgan Stanley & Co. LLC</p> <p>J.P. Morgan Securities LLC</p> <p>RBC Capital Markets, LLC</p> <p>Stifel, Nicolaus & Company, Incorporated</p> <p>Edward D.Jones & Co., L.P.</p> <p>Moelis & Co.</p> <p>Samuel A. Ramirez & Company, Inc.</p> |
| CUSIP for the Common Stock | 505597 104 |
| ISIN for the Common Stock | US5055971049 |

Equity Units Offering

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| Title of Securities | Equity Units that will each have a stated amount of \$50.00 and will initially be in the form of a Corporate Unit consisting of a purchase contract issued by the Company and, initially, a 1/20, or 5%, undivided beneficial ownership interest in \$1,000 principal amount of 2014 Series A 2.00% Remarketable Junior Subordinated Notes due 2022 to be issued by the Company (each being referred to as an RSN) |
| Number of Equity Units Offered | 2,500,000 (or 2,875,000 if the underwriters of the Equity Units Offering exercise their option to purchase up to 375,000 additional Corporate Units in full) |

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| Aggregate Offering Amount | \$125,000,000 (or \$143,750,000 if the underwriters of the Equity Units Offering exercise their option to purchase up to 375,000 additional Corporate Units in full) |
| Stated Amount per Equity Unit | \$50.00 |
| Corporate Unit Public Offering Price | \$50.00 per Corporate Unit |
| Underwriting Discounts and Commissions | <p>\$125,000,000 in aggregate (or \$143,750,000 if the underwriters of the Equity Units Offering exercise their option to purchase up to 375,000 additional Corporate Units in full)</p> <p>\$1.50 per Corporate Unit</p> <p>\$3,750,000 in aggregate (or \$4,312,500 if the underwriters of the Equity Units Offering exercise their option to purchase up to 375,000 additional Corporate Units in full)</p> |
| Estimated Net Proceeds to the Company from the Equity Units Offering | <p>The underwriters of the Equity Units Offering propose to offer the Corporate Units to dealers at the Corporate Unit Public Offering Price less a concession not in excess of \$0.90 per Corporate Unit.</p> <p>The Company estimates that it will receive net proceeds of approximately \$121 million from the sale of Corporate Units in the Equity Units Offering after deducting the Underwriting Discounts and Commissions and estimated offering expenses. The Company estimates that it will receive net proceeds of approximately \$139 million if the underwriters of the Equity Units Offering exercise their option to purchase additional Corporate Units in full.</p> |
| Interest Rate on the RSNs | 2.00% per year subject to the Company's right to defer interest payments, as described in the Equity Units Preliminary Prospectus Supplement and subject to modification in connection with a successful remarketing |
| Deferred Interest on the RSNs | Deferred interest on the RSNs will bear interest at the interest rate applicable to the RSNs, compounded on each interest payment date to, but excluding, the interest payment date on which such deferred interest is paid |
| Contract Adjustment Payment Rate | 4.75% per year or \$2.375 per year on the Stated Amount per Equity Unit subject to the Company's right to defer contract adjustment payments, as described in the Equity Units Preliminary Prospectus Supplement |
| Deferred Contract Adjustment Payments | Deferred contract adjustment payments will accrue additional contract adjustment payments at the rate equal to 6.75% per annum compounded on each contract adjustment payment date to, but excluding, the contract adjustment payment date on which such deferred contract adjustment payments are paid |
| Total Distribution Rate on the Corporate Units Reference Price | 6.75% per annum |

\$46.25 (subject to adjustment, as described in the Equity Units Preliminary Prospectus Supplement)

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| Threshold Appreciation Price | \$57.8125 (subject to adjustment, as described in the Equity Units Preliminary Prospectus Supplement), which represents appreciation of 25% over the Reference Price |
| Minimum Settlement Rate | 0.8649 shares of the Company's common stock (subject to adjustment, as described in the Equity Units Preliminary Prospectus Supplement), which is approximately equal to the \$50.00 Stated Amount per Equity Unit, <i>divided by</i> the Threshold Appreciation Price |
| Maximum Settlement Rate | 1.0811 shares of the Company's common stock (subject to adjustment, as described in the Equity Units Preliminary Prospectus Supplement), which is approximately equal to the \$50.00 Stated Amount per Equity Unit, <i>divided by</i> the Reference Price |
| Purchase Contract Settlement Date | April 1, 2017 (or if such day is not a business day, the following business day) |
| RSN Maturity Date | April 1, 2022 |
| Book-Running Managers | Credit Suisse Securities (USA) LLC Wells Fargo Securities, LLC J.P. Morgan Securities LLC RBC Capital Markets, LLC |
| Co-Manager | Stifel, Nicolaus & Company, Incorporated |
| No Listing | The Company does not intend to apply to list the Corporate Units on any securities exchange. |
| CUSIP for the Corporate Units | 505597 500 |
| ISIN for the Corporate Units | US5055975008 |
| CUSIP for the Treasury Units | 505597 609 |
| ISIN for the Treasury Units | US5055976097 |
| CUSIP for the RSNs | 505597 AB0 |
| ISIN for the RSNs | US505597AB04 |
| Allocation of the Purchase Price | At the time of issuance, the fair market value of the applicable ownership interest in the RSNs will be \$50 (or 100% of the issue price of a Corporate Unit) and the fair market value of each purchase contract will be \$0 (or 0% of the issue price of a Corporate Unit). |
| Early Settlement | Subject to certain conditions described under "Description of the Purchase Contracts - Early Settlement" in the Equity Units Preliminary Prospectus Supplement, a holder of Corporate Units or Treasury Units may settle the related purchase contracts at any time prior to 4:00 p.m., New York City time, on the second business day immediately preceding the Purchase Contract Settlement Date, other than during a blackout period (as described in the Equity Units Preliminary Prospectus Supplement) in the case of Corporate Units. An early settlement may be made only in integral multiples of 20 |

Corporate Units or 20 Treasury Units; however, if the Treasury portfolio has replaced the RSNs as a component of the Corporate Units following a successful optional remarketing, holders of Corporate Units may settle early only in integral multiples of 4,000 Corporate Units. If a purchase contract is settled early, the number of shares of common stock to be issued per purchase contract will be equal to the Minimum Settlement Rate (subject to adjustment, as described in the Equity Units Preliminary Prospectus Supplement).

Early Settlement Upon a Fundamental Change

Subject to certain conditions described under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change, following a fundamental change (as defined in the Equity Units Preliminary Prospectus Supplement) that occurs prior to the 20th business day preceding the Purchase Contract Settlement Date, each holder of a purchase contract will have the right to accelerate and settle the purchase contract early on the fundamental change early settlement date (as defined in the Equity Units Preliminary Prospectus Supplement) at the settlement rate determined as if the applicable market value equaled the stock price (as defined in the Equity Units Preliminary Prospectus Supplement), plus an additional make-whole amount of shares (such additional make-whole amount of shares being hereafter referred to as the make-whole shares). This right is referred to as the fundamental change early settlement right.

The number of make-whole shares per purchase contract applicable to a fundamental change early settlement will be determined by reference to the table below, based on the date on which the fundamental change occurs or becomes effective (the effective date) and the stock price (as defined in the Equity Units Preliminary Prospectus Supplement) for the fundamental change:

Stock Price on Effective Date

| | \$ 30.00 | \$ 40.00 | \$ 45.00 | \$ 46.25 | \$ 50.00 | \$ 55.00 | \$ 57.81 | \$ 60.00 | \$ 70.00 | \$ 80.00 | \$ 90.00 | \$ |
|-----|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----|
| 873 | 0.1160 | 0.0516 | 0.0108 | 0.0000 | 0.0491 | 0.1006 | 0.1257 | 0.1127 | 0.0724 | 0.0538 | 0.0445 | |
| 317 | 0.0826 | 0.0343 | 0.0052 | 0.0000 | 0.0334 | 0.0819 | 0.1056 | 0.0919 | 0.0527 | 0.0380 | 0.0316 | |
| 669 | 0.0427 | 0.0171 | 0.0000 | 0.0000 | 0.0148 | 0.0535 | 0.0734 | 0.0582 | 0.0254 | 0.0187 | 0.0160 | |
| 000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | |

The stock prices set forth in the second row of the table above (i.e., the column headers) will be adjusted upon the occurrence of certain events requiring anti-dilution adjustments to the fixed settlement rates in a manner inversely proportional to the adjustments to the fixed settlement rates, as described in the Equity Units Preliminary Prospectus Supplement.

The exact stock price and effective date applicable to a fundamental change may not be set forth on the table, in which case:

if the stock price is between two stock prices on the table or the effective date is between two effective dates on the table, the amount of make-whole shares will be determined

by straight line interpolation between the make-whole share amounts set forth for the higher and lower stock prices and the earlier and later two effective dates based on a 365-day year, as applicable;

if the stock price is in excess of \$120.00 per share (subject to adjustment in the same manner as the stock prices set forth in the second row of the table, as described above), then the make-whole share amount will be zero; and

if the stock price is less than \$10.00 per share (subject to adjustment in the same manner as the stock prices set forth in the second row of the table, as described above) (the minimum stock price), then the make-whole share amount will be determined as if the stock price equaled the minimum stock price, using straight line interpolation, as described above in the first bullet, if the effective date is between two effective dates on the table.

Unless the Treasury portfolio has replaced the RSNs as a component of the Corporate Units as a result of a successful optional remarketing, holders of Corporate Units may exercise the fundamental change early settlement right only in integral multiples of 20 Corporate Units. If the Treasury portfolio has replaced the RSNs as a component of Corporate Units, holders of the Corporate Units may exercise the fundamental change early settlement right only in integral multiples of 4,000 Corporate Units. A holder of Treasury Units may exercise the fundamental change early settlement right only in integral multiples of 20 Treasury Units.

The issuer has filed a registration statement (including a prospectus), as amended, with the SEC for the offering to which this communication relates (File No. 333-190388). Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and the Offerings. You may get these documents for free by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the relevant Offering will arrange to send you the base prospectus and the relevant Preliminary Prospectus Supplement if you request them by calling Credit Suisse Securities (USA) LLC at 800-221-1037; or Wells Fargo Securities, LLC at 800-326-5897.

This communication should be read in conjunction with the relevant Preliminary Prospectus Supplement and the accompanying base prospectus. The information in this communication supersedes the information in the relevant Preliminary Prospectus Supplement and the accompanying base prospectus to the extent inconsistent with the information in such Preliminary Prospectus Supplement and the accompanying base prospectus.

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