

PEABODY ENERGY CORP
Form 10-Q
May 04, 2012
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-16463

PEABODY ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

701 Market Street, St. Louis, Missouri
(Address of principal executive offices)
(314) 342-3400

(Registrant's telephone number, including area code)

13-4004153

(I.R.S. Employer Identification No.)

63101-1826
(Zip Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes () No ()

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes () No ()

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer () Accelerated filer () Non-accelerated filer () Smaller reporting company ()

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes () No ()

There were 272,392,200 shares of common stock with a par value of \$0.01 per share outstanding at April 27, 2012.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

PEABODY ENERGY CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31,	
	2012	2011
	(Dollars in millions, except per share data)	
Revenues		
Sales	\$1,803.0	\$1,612.0
Other revenues	235.6	131.1
Total revenues	2,038.6	1,743.1
Costs and expenses		
Operating costs and expenses	1,438.6	1,247.2
Depreciation, depletion and amortization	144.9	107.7
Asset retirement obligation expense	15.2	13.3
Selling and administrative expenses	71.0	61.6
Other operating (income) loss:		
Net gain on disposal or exchange of assets	(4.0) (4.0
Loss from equity affiliates	22.7	3.0
Operating profit	350.2	314.3
Interest expense	102.0	51.0
Interest income	(8.1) (4.1
Income from continuing operations before income taxes	256.3	267.4
Income tax provision	74.0	72.8
Income from continuing operations, net of income taxes	182.3	194.6
Loss from discontinued operations, net of income taxes	(4.0) (15.9
Net income	178.3	178.7
Less: Net income attributable to noncontrolling interests	5.6	2.2
Net income attributable to common stockholders	\$172.7	\$176.5
Income From Continuing Operations		
Basic earnings per share	\$0.64	\$0.71
Diluted earnings per share	\$0.64	\$0.70
Net Income Attributable to Common Stockholders		
Basic earnings per share	\$0.63	\$0.66
Diluted earnings per share	\$0.63	\$0.65
Dividends declared per share	\$0.085	\$0.085
See accompanying notes to unaudited condensed consolidated financial statements.		

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31,	
	2012	2011
	(Dollars in millions)	
Net income	\$ 178.3	\$ 178.7
Other comprehensive income, net of income taxes:		
Net unrealized holding gains (losses) on available-for-sale securities (net of \$6.7 and \$0.0 tax benefit for the three months ended March 31, 2012 and 2011, respectively)	(11.5) 1.0
Net unrealized gains on cash flow hedges (net of \$31.4 and \$34.3 tax provision for the three months ended March 31, 2012 and 2011, respectively)		
Increase in fair value of cash flow hedges	147.8	88.5
Less: Reclassification for realized gains included in net income	(84.2) (56.0
Net unrealized gains on cash flow hedges	63.6	32.5
Postretirement plans and workers' compensation obligations (net of \$8.1 and \$0.2 tax provision for the three months ended March 31, 2012 and 2011, respectively)		
Net actuarial loss for the period	—	3.5
Amortization of actuarial loss and prior service cost	13.9	10.0
Postretirement plan and workers' compensation obligations	13.9	13.5
Foreign currency translation adjustment	12.7	—
Other comprehensive income	78.7	47.0
Comprehensive income	257.0	225.7
Less: Comprehensive income attributable to noncontrolling interests	5.6	2.2
Comprehensive income attributable to common stockholders	\$ 251.4	\$ 223.5

See accompanying notes to unaudited condensed consolidated financial statements.

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PEABODY ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)